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MINISTRY OF TRANSPORT.

RATES ADVISORY COMMITTEE.

GENERAL REVISION

OF

RAILWAY RATES AND CHARGES.

PROCEEDINGS OF MEETING

HELD ON

1ST JUNE, 1920.

SEVENTH DAY.



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MINISTRY OF TRANSPORT.

GENERAL REVISION OF RAILWAY RATES, TOLLS AND CHARGES.

OLD HALL, LINCOLN'S INN, W.C.2.

Tuesday, 11th May, 1920.

Terms of Reference:—

"The Minister having determined that a complete revision of the rates, fares, dues, tolls and other charges on the railways of the United Kingdom is necessary, the Committee are desired to advise and report at the earliest practicable date as to:—

- "(1) The principles which should govern the fixing of tolls, rates and charges for the carriage of merchandise by freight and passenger train and for other services.
 - "(2) The classification of merchandise traffic, and the particular rates, charges and tolls to be charged thereon and for the services rendered by the Railways.
 - "(3) The rates and charges to be charged for parcels, perishable merchandise and other traffic conveyed by passenger train, or similar service, including special services in connection with such traffic."
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The evidence is issued in uncorrected form, and any inaccuracies should be notified to the Secretary, Rates Advisory Committee, Ministry of Transport, Gwydyr House, Whitehall, S.W.1.

MINISTRY OF TRANSPORT.

RATES ADVISORY COMMITTEE.

GENERAL REVISION OF RATES AND RAILWAY CHARGES.

PROCEEDINGS OF MEETING

HELD ON

1st JUNE, 1920.

PRESENT :—

F. GORE-BROWNE, Esq., K.C. (*Chairman*).
SIR WALTER W. BERRY, K.B.E.
W. J. DAVIS, Esq.
W. A. JEPSON, Esq.
L. A. MARTIN, Esq.
W. M. ACWORTH, Esq.
S. J. PAGE, Esq. (*Secretary*).

SEVENTH DAY.

MR. J. H. BALFOUR BROWNE, K.C., appeared for The Federation of British Industries.

SIR JOHN SIMON, K.C., SIR LYNDEN MACASSEY, K.C., MR. BARRINGTON WARD, K.C., and MR. BRUCE THOMAS appeared for the Railway Companies' Association.

MR. ROWLAND WHITEHEAD, K.C., and MR. G. W. BAILEY appeared for the St. Helens and Widnes Manufacturers and Traders.

MR. ROWLAND WHITEHEAD, K.C., and MR. EDWIN CLEMENTS appeared for the Iron and Steel Federation.

MR. G. H. HEAD appeared for the Livestock Traders' Association (instructed by Messrs. Maxwell, Brownjohn & Co.).

MR. JACQUES ABADY (instructed by Sir Thomas Ratchiffe-Ellis) appeared for the Mining Association of Great Britain.

SIR ROBERT ASKE (instructed by Messrs. Botterell & Roche and Hill Dickinson & Co.) appeared for the Chamber of Shipping of the United Kingdom and Liverpool Steamship Owners' Association.

MR. F. G. THOMAS (instructed by Messrs. Francis & Calder) appeared for the Association of British Chambers of Commerce.

MR. W. A. WARDLEY (instructed by Messrs. Adler & Perowne) appeared for the Association of Railways.

Chairman: Will the Association of British Chambers of Commerce go on with their evidence?

Mr. F. G. Thomas: Since the adjournment, Sir, I have been instructed to appear for the Associated Chambers of Commerce. I propose to follow the same procedure as has been previously adopted—to call my witnesses and to leave them to place their views before you, putting only such questions as might be necessary in re-examination if there is any point upon which their views seem to be in doubt.

Mr. GEORGE A. WICKES, called.

Examined by Mr. F. G. THOMAS:

2218. *Mr. F. G. Thomas:* You are giving evidence on behalf of the Association of British Chambers of Commerce?—Yes.

2219. You are a railway expert from the Coventry Chamber of Commerce?—Yes.

2220. And you are a member of the Birmingham Chamber of Commerce?—Yes.

2221. You are also a member of the Railways and Transport Committee?—Yes.

Chairman: I am obliged; and I am very glad to see you here. I shall consider that I always have the right to ask you questions as to what the Chambers of Commerce as a whole desire, so if you will keep in touch with the leading men of those bodies, I shall put it upon you, you will be able to answer for the whole body.

Mr. F. G. Thomas: I shall do my best, Sir.

2222. A member of the Traders' Traffic Conference?—Yes.

2223. And Traffic Manager of Messrs. Rudge Whitworth, Ltd.?—Yes.

2224. I think you have occupied that position for 14½ years?—Yes.

2225. You are also a member of the Coventry City Council?—Yes.

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[Continued.]

2226. And a member of the Special Production and Transport Committee of the Coventry City Council?—Yes.

2227. You have had 23 years' actual railway experience?—Yes.

2228. I will now ask you to give your evidence to the Committee in your own way and to bring out the points to which you attach importance.—Before I go definitely into the statement you have on the paper I should like to mention two points. As railway expert to the Coventry Chamber of Commerce I was requested three weeks ago to submit an article to the local Press because of the keen interest the traders were taking in this tribunal and this Inquiry. That article appeared in the early days of May—May 9, I believe—and the traders have taken such a keen interest in it that we have had four special meetings. The Coventry Chamber of Commerce are keenly interested because of the great detrimental effect the recent increase of rates has had, particularly on the cycle and motor-cycle trade.

2229. *Chairman:* Is that article available, because I should very much like to have a copy of it?—No; I have not got it with me. I was asked last night on the telephone to mention this before giving my evidence.

2230. I should like to have a copy of it. I dare say you will be good enough to let me have it as I should like to read it.—Yes. As a member of the Coventry City Council Production and Transport Committee, I should like to say that in connection with our housing scheme we have just passed plans for houses, and the contractors wish me to mention here to-day the important bearing upon their contracts of the recent increase in railway rates, particularly in connection with joinery, which comes under the third-class rate in the majority of cases, and therefore comes to the 60 per cent. plus 1s. 6d. plus 1s. 6d. and 1s. flat rate. This also will act detrimentally to a great extent in connection with the cost of building houses in all parts of the Kingdom, and in our City of Coventry in a most acute form, where the housing question is very important and the need of housing is indeed very great. I wish to say in connection with my written evidence that the first suggestions I make respecting the formation of the tribunal I desire to erase, as I have just heard from our General Secretary that the Associated Chambers of Commerce are considering further with respect to the formation of the tribunal. I therefore wish to pass on to paragraph 3, where I say that I desire particularly to impress the Railway Rates Advisory Committee with the urgent need of local Advisory Committees. I do this because in every district distinct and separate conditions prevail, bearing upon services, terminals, etc., private sidings charges, owing to the geographical position, distance from station to siding; eccentric conditions of any particular private sidings—these, I think, should all be dealt with preliminarily by a local Committee, the members of which Committee are directly in touch with and have full knowledge of such conditions. Also with respect to the fixing of free delivery boundaries in any area, cost of haulages, cartages, etc., station accommodation, and all its attendant and peculiar circumstances. All these are vital, I submit, and can only be sufficiently understood by actual local bodies, who shall in turn advise the Central Tribunal advocated by the Associated Chambers of Commerce under Question 1.

2231. Then I understand that you intend the Local Committees to be consultative and conciliatory. If they can come to an agreement with the railways, well and good; if not, they must pass it on?—That is so.

2232. *Mr. Acworth:* With regard to private sidings. Do you suggest that the question of a private siding is primarily a matter for the owner and the railway company?—Yes.

2233. Do you think that a Local Advisory Committee would be good to deal with that?—Yes. I will give an instance of a siding connected with one of the largest firms in Coventry, which siding happens to be

about a mile from Coventry station and a mile and a quarter from Foleshill station, which is in the city boundary. Peculiarly, the railway company have claimed the Foleshill rates for this particular siding, and a Local Committee, in my belief, would be able to determine—practical railwaymen in that district would be able to determine—and advise the tribunal as to the fixing of the proper charges for that siding. And that would act all round. The absence of local knowledge of the conditions often causes misunderstanding and, further, the firms are liable to have to pay very much higher charges—and possibly lower—by the fact that the local conditions are not known.

2234. But you would not give this Local Advisory Committee any powers to fix; you would only give them powers to advise?—Yes, only powers to advise in this instance; only powers to settle small local disputes.

2235. But supposing there is a dispute with regard to the private siding charge between the railway company and the trader, they would each know their own case?—Yes.

2236. Is there any advantage in giving that which is really a judicial matter to the Local Advisory Committee?—Yes; because upon that committee there may be sitting other expert railwaymen who also would know the workings of the railway, and its necessary working for the manipulation of the traffic of that siding.

2237. The railway company itself would provide that information for the tribunal?—Yes. But we always require a check on the railway companies' suggestions.

2238. *Mr. Jepson:* Do you suggest that the railway companies before they make an arrangement with the private siding owner do not ascertain what are the local conditions?—No, I do not; but I suggest that if there is friction the local Committee could advise upon its settlement.

2239. Do you know that in many cases it is definitely agreed between the companies and the private siding owner that they will pay the station rates rather than go into the complex questions of shunting, and signalling, and so on—as a simple matter they agree by a siding agreement to pay the station rates?—Yes, I know it only too well; and I know the result is that the firms have to pay more because they are not in touch with the intricate work of the sidings and they would rather do that. That was so particularly during the War. New sidings have now been installed and the conditions with regard to the payment of siding rates have been handed to the people involved, and they have acquiesced in the payment of station rates in order to get to the sidings quicker and to get on with their business.

2240. Your suggestion is that if this Committee were set up and it were one of their duties to deal with this question of private sidings, the owners would welcome it because they think that by such an Advisory Committee they would get better terms than they do under the private siding agreement?—Yes; and it would give every opportunity for them to be satisfied they were not the only people who had discussed this question, but that every possible expert advice had been taken from all sides.

2241. Of course, with your railway experience you know that the private siding owners are properly protected by Act of Parliament under the Private Sidings Act?—Yes. Of course, that paragraph with regard to the powers of the Central Tribunal has been dealt with in a letter. I now pass on to the next paragraph, where we suggest we have also defined our position with respect to owners' risk and company's risk rates. All kinds of methods are adopted at present to meet each position as it arises, and no satisfaction whatever can be obtained. I want to quote here two instances just to show the absurdity of the present position. On May 6 a Coventry firm handed to the London and North-Western Railway Company at Coventry Station a small lathe, not protected by packing and consigned at the usual owner's risk conditions on the green owner's risk

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[Continued.]

note. The lathe was badly damaged by falling from the crane (as far as we could learn) presumably owing to the careless manner in which the crane hooks or slings were attached. No fault of the senders, no defect of the lathe. The railway, per their letter C.38950, dated May 10, reply as follows to sender's request for compensation for damage: "Dear Sirs.—With reference to your favour C.8281 of the 7th instant, re lathe to Eastbourne, I beg to say that a claim cannot be entertained in this instance, the damage to the lathe not being due to wilful misconduct on the part of the company's servants. You have made application to us for the return of the lathe to your Coventry works, but I would point out that we are quite prepared to carry out the contract entered into—namely, to convey this consignment to Eastbourne; and it must be clearly understood, please, that if the consignment is returned to your works we do not in any way agree to waive the owner's risk conditions of the contract; the offer to return the machine to your works being made solely in the interests of your good selves. I shall be glad to be favoured with your early reply, pending receipt of which the lathe remains on hand at this station." Now, according to the conditions of the owner's risk note, wilful misconduct could not be proved by the senders, but the lathe, before it touched the line, is smashed to atoms, and the firm are called upon to waive all claims for damage because it is owner's risk traffic.

2242. *Chairman*: What is your suggestion—that they should accept the owner's risk rate and take the company's risk liability for damage?—My suggestion there is that such distinct alterations should be made in the owner's risk conditions as to make the company liable to some extent for the damage that they themselves must have done.

2243. To make them liable for negligence?—Yes.

2244. Damage arising from negligence?—Yes.

2245. If that is so, you would be content that the owner's risk rate should be considerably raised because at present it has been lowered to exempt them from that?—There is not much lowering there in the Y rate.

2246. What is the difference between the rates?—In this particular instance it was 4s. 1d.

2247. *Mr. Jepson*: Per ton, or on the lathe?—On the machine.

2248. *Chairman*: If they are to take that larger risk you would have to reduce that difference?—Yes.

2249. *Mr. Acworth*: Why should it be sent at owner's risk if you save only 4s. 1d.?—To save the packing. And we agree under the owner's risk rate to stand a reasonable risk.

2250. Do you think it is reasonable to send a thing with a lot of cast iron parts, which one knows can be easily broken, unpacked, and to require the company to insure it against damage?—We do not require them to do that.

2251. That is what it comes to?—No. We agree under the conditions to stand reasonable risk; but this is smashed before it touches the line.

2252. How is the reasonableness to be settled?—I would suggest that such conditions should be drawn up by which the railway company would reasonably see that their liability is proportional to the damage done, and that such a damage should not wholly be declined.

2253. *Chairman*: It is not wholly declined; because in the owner's risk clause they put in that "the company is to be liable for non-delivery unless such non-delivery is due"—(reading down to the words)—"and to misdelivery within 28 days." They take that amount of risk?—Yes.

2254. But in consideration of your paying a lower rate they call upon you to take a certain amount of risk, including the risk for ordinary negligence. Now, if you want to get the advantage of sending goods unpacked and at a lower rate you must expect to exempt them from some risk?—We do exempt them from some risk.

2255. From what do you exempt them at owner's risk rates?—It may not be news to this Tribunal to say that an Agreement, as stated through the representative of the railway companies at a Conference which I attended some months ago on owner's risk traffic, certain trades in the country have had an agreement signed with the railway companies for 75 per cent. of the value of traffic on owner's risk lost in transit—that same principle can be applied to cases of completely smashing or destroying an article on the line—some agreement should be arrived at, or some conditions put in consignment notes, whereby firms are not at a complete loss in such a case of negligence.

2256. We have the suggestion of the Federation of British Industries as to what the owner's risk clause should be. Are you satisfied with that?—I am afraid I cannot recall it.

2257. That suggestion is as follows: "Where a railway company, either alone or jointly with any other railway company, undertake to carry, convey and deliver by railway, or by railway and canal or road, any goods at a rate of less amount than the ordinary or company's risk rate, in consideration of the company or any other company or person over whose railway or canal such goods may pass being relieved of any of their liabilities as carriers or conveyors of such goods, it shall not be lawful for the company by means of any conditions contained in a special contract for the carriage, conveyance and delivery of the goods, or any public or other notice, or otherwise, to relieve the company or any such other company or person of liability for loss arising from theft or pilferage by the servants of the company or others, or their wilful misconduct, or the failure or neglect of the company or any such other company or person to carry or convey and deliver the goods with all reasonable care and expedition; but the company, and in respect of the carriage or conveyance and delivery of the goods over any part of their railway or canal, each such other company or person shall remain liable for such loss; and where any loss arises it shall lie upon the company to prove that the same was not caused by such theft or pilferage, misconduct, or failure or neglect as aforesaid?"—Largely I can agree to that; but I am not committing myself. I am taking the advice of the Associated Chambers of Commerce in their own discussions.

2258. It is a pity that in bringing evidence here people do not consult what has already been done. I am sorry you had not considered that clause?—It has been considered by us as a body. We have the suggestion before us. My own suggestion is that whilst you have no finality some move must be made whereby the senders must not be called upon to be at a complete loss; and those terms are embodied in the clause of the Federation of British Industries to a large extent.

2259. If this Tribunal eventually has to fix the amount of deduction to be made for the purpose of owner's risk, it will, of course, have to take into account the amount of risk that you leave upon the railways?—Yes, that is right. We agree with that.

2260. You are relieving them of almost nothing, according to your clause and the clause of the Federation of British Industries. Therefore the owner's risk will be very nearly the same as company's risk?—I do not see that we are relieving them of almost nothing. At the present time they relieve us of nothing.

2261. To what would your proposal for relief amount?—I would rather go on a proportionate agreement through a local Advisory Committee which could settle such matters as that.

2262. You cannot have every case of damage to goods referred to a Committee?—But I suggest that this is an extreme case.

Chairman: Everyone thinks that his own case is extreme.

2263. *Mr. Jepson*: Supposing it were proved that this was due to an accident, would you say then that

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[Continued.]

the railway company was liable? Leaving out the question of wilful misconduct or negligence, supposing it were a pure accident, would you go so far as to say that the railway company should be liable if the goods were carried at owner's risk rate?—If it were a complete loss to the senders, yes.

2264. *Mr. Aeworth*: You said that the companies relieved you of nothing. Do you agree that it is reasonable, if the companies are to be asked to insure as common carriers, that they should claim that the lathe should be packed?—Reasonable that they should claim that it should be packed?

2265. Yes?—Yes, but—

2266. You think it is reasonable for them to claim for it to be packed?—Yes, it is.

2267. A lathe is a pretty big thing. How much would it have cost to pack this lathe?—There are two difficulties which govern this. The first is the provision of the necessary timber, particularly in the Coventry area; and then there is the question of extra weight and delay. This was a small lathe which was being sent to the firm's depot.

2268. Can you give me a rough idea of how much it would cost to get a packing case for that particular lathe?—About 30s.

2269. In addition to that you would have had to pay for the extra weight of that package?—Yes.

2270.—So that we may say it would have cost you £2 extra?—Yes.

2271. So that the company really relieved you not of 4s. 1d., but of 44s. 1d. Is that not right?—It is, if they pack them.

2272. So that they did make a good deal of concession?—No.

2273. And your people thought it worth while to accept that concession?—That is agreed. But at the same time if they smash it altogether they should lose the whole lot.

2274. One does like to have a bargain the whole way?—I suppose so.

Mr. F. G. Thomas: With regard to the owner's risk clause, the Chambers of Commerce are considering it, and it is one of the advantages that the views of all can be expressed by one body, but it is also one of the disadvantages that there are many persons to consult. The Council are meeting this week, and then they will finally say what their views are, and I hope that we shall be able to submit a clause which is common to all the interests affected.

Mr. Balfour Browne: If you have before you, Sir, that page from which you were reading a short time ago I want to make a correction. Certain clauses were handed in but the thing does not read as it stands. About 12 lines down you will notice the words "London Gazette" followed by a full stop. That stop should not be there and the next word "the" should not have been a capital letter.

Chairman: Yes.

Mr. Balfour Browne: Then on the last line but two of that same paragraph it says, "shall be allowed, and the base disallowing" etc. I think it should be "in case" and not "the base." They are only verbal alterations, but I thought it was worth while to put them right.

2275. *Chairman*: Yes. I am obliged to you. (*To the Witness*): We will now pass on from owner's risk and company's risk.—In paragraph 3 on page 2, I would like to draw attention to Question 4, pages 4 and 5, Clause (b), in which we request a reduction of rate to encourage economic packing of goods for rail transit. In these days, Sir, it is absolutely essential to encourage economic packing. I will quote one very special illustration of this. A certain cycle firm in the Midlands in pre-war days, and at present, by detaching the handlebars and pedals from cycles were able to pack their cycles in crates about 7 inches wide, whilst other cycle makers packed in broad crates about 28 inches wide. The result was that the specially packed cycles could be packed upon a railway company's road lorry, about 65 cycles, other makers on 13. This means that five lorries were required to be sent for collecting other makers' cycles to this particular maker's only one. The same economy upon the railway with respect to truck accommodation accrued.

One truck (ordinary four plank wagon) would suffice to haul 65 to 70 cycles economically packed, while at least four such trucks were required for other makers. And yet the weight of each of these cycles were the same, and the other maker who packed the cycles economically saved to the railway company concerned: Four lorries per 65 cycles at sending station; three trucks on rail, also sheets, four lorries at receiving station, and all the necessary labour entailed. Yet the cost to that maker (at fifth class rate, as per General Railway Classification) was practically the same. These conditions prevail in all business and industrial centres, and I urge, Sir, the pressing need of inducement to economic packing.

2276. *Mr. Aeworth*: What do you mean by "as practically the same"?—They varied a few inches.

2277. No. You say the cost to that maker—I thought you meant the rate was the same. Was it the cost to the maker in that fifth class rate which was practically the same?—Yes. But they had to pay for one truck load as much as the others for four truck loads.

2278. Then it means quite the same?—Yes.

2279. *Mr. Jepson*: I do not think you mean that, do you; because the maker who used the bigger crates would have the heavier weight for which to pay; it would cost more for the crates and more for the carriage, for the larger crates; so that the one using the smaller crate would not pay so much as the one using the larger. The railway rate per ton would be the same, but there would be a heavier weight for the one using the larger crates?—Actual practice proved that the difference was so small as to make it practically the one charge. The crates were composed of boards, and the weights were very little more; and taken on the 14 pounds scale in the classification charges the charges were about the same, though there may have been a little difference.

2280. *Chairman*: Whatever the details may be, yours is a strong point: That if makers could be encouraged to pack in the smallest space possible there would be a saving to the railway companies and it would be worth their while to make some concession to secure it?—Yes.

2281. *Mr. Aeworth*: Did they ask for some concession?—Yes. They were in correspondence with the railway companies for a long period.

2282. Did they ask for a concession for a full truck, or how did they put it?—They asked for a concession for the economic packing, from all points of view—the saving of road and rail labour.

2283. What they asked for was a concession on the charge per bicycle, was it? or did they ask for a truck, or how did they put it?—They asked for a concession rate concession which worked out as per bicycle. We did not work it out per truck load per goods train.

2284. You were definitely refused it?—Yes. Another instance of an anomaly has occurred with serious effects. In pre-war days we had a special "full truck load rate" for cycles by passenger train, minimum 40 cycles, from Coventry to Birmingham, London, Leicester, Liverpool, Nottingham, Wolverhampton, and Dullin. After much pressure since the signing of the Armistice these rates were re-instituted plus 50 per cent. as from March 1st, 1920. The despatch of cycles in 40-lots means a great saving of labour to the railway companies, and I submit herewith the details of amounts saved to the cycle manufacturers in return. A recent instance is a load of cycles from Coventry to Middlesbrough for which the firm asked for the same concession. I have here a statement showing the differences that accrued on the truckage rates and the amounts saved to those points where the privilege is granted. (*Same handed.*) After communication with the London and North-Western Railway Company, the Coventry Passenger Agent, per his letter T of March 9th, says: "It is not proposed to extend the principle of special truck rates." This statement was reaffirmed per Mr. L. W. Horne, Rates and Fares Office, Euston, per his letter F, 1/200397, of March 15th. What I submit to the Tribunal to-day is that this is preferential treatment, as the same economic inducements granted from

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[Continued.]

Coventry to London or Dublin or other points mentioned could equally be granted to Middlesbrough. It is an important point because of the fact that to pack 40 cycles in a truck and to load through to destination is an obvious saving all round.

2295. *Chairman*: Then your submission here is that we ought to do all we can to encourage special rates being granted for advantageous consignments?—Yes.

2296. *Mr. Acworth*: Why do you want this rate by passenger train?—Because the cycle trade in the early days of the year—particularly in the Spring—depends to a vital extent upon delivery, and the railway companies consider it to be advantageous to themselves if we send in through truck loads, and they encourage that.

2297. I am asking why you want it by passenger train, and you say it is wanted in a hurry in the Spring?—Yes, that is the main object.

2298. Does that apply all the year round?—The cycle trade is not so busy in the autumn, and more would go by goods in the olden days when packed. At the present time the cycle trade is not properly on its feet again.

Chairman: We are not going to deal with any special circumstances and special industries on this occasion; but your proposition, that it is well worth the companies' while to grant concessions for economic packing, I think we quite appreciate.

2299. *Mr. Jepson*: With regard to these illustrations you have given, I suppose when you send a truck load of cycles to Birmingham or London from Coventry by passenger train, they are not packed?—That is so.

2290. They go loose?—They are all owner's risk, not packed.

2291. They are owner's risk, not packed, by passenger train?—Yes.

2292. If you sent them by goods train, the railway companies, of course, would not accept them, even at owner's risk, not packed?—Yes.

2293. Loose?—Yes.

2294. In less than truck loads?—Yes.

2295. Have you any idea what is the difference in charge? You give us Coventry and London 4s. 6d. per cycle; what would it cost to send by goods train at owner's risk?—At the present time about the same owing to the increase in rates; particularly on some consignments it is within a penny or twopence. On the full truck loads there is very little to say with respect to advantage.

2296. So that if what you say is right you are getting a considerable advantage by having the traffic served by a better service of trains?—Not always a better service.

2297. I am speaking of London and Coventry, taking the illustration?—Yes. Then I turn to Question 13 on page 5, where we ask that every element relative to the particular traffic concerned should be taken into account. The weight, value, risk, and cubic capacity should all be carefully accounted for. I will quote an instance relative to value. A cycle valued at £16 is carried according to the old fifth-class rate at small scales charge increased 100 per cent. A toy tricycle value £3 may weigh exactly the same as the £16 bicycle. I wish to say that through inquiries often on an ordinary road racer bicycle—an ordinary cycle—the weight is very little different. The toy tricycle value £3 may weigh exactly the same as a £16 bicycle. This also is carried at fifth-class rates, old scale, plus 100 per cent., and would cost exactly the same figure to the maker for carriage, although the risk of damage, value of the article, and economic return to the maker are vastly different. Therefore I urge the particular attention of the Rates Advisory Committee to the need of every element being considered.

2298. *Chairman*: You do not mean that we should put things of the same quality in different classes because there is a difference in value, do you? We have only eight classes at present and no one has suggested increasing them. You would not say that you would inquire the invoice value of the article and put it in a different class, although in exactly the same

category?—We do not consider in this instance they are in the same category; because a toy tricycle is more difficult to damage than a bicycle.

2299. We could not sub-divide everything. Must it not go as machinery?—That is so; but the element of value should be taken into account.

2300. *Mr. Jepson*: I suppose when we come to the question of classification before then your Committee in Coventry, being largely interested in the making of these things, will have some concrete proposals to put before us as to how the present classification shall be varied?—The Chamber of Commerce at Coventry have appointed a special Committee, which has commenced sitting, with regard to classification, and they will have definite proposals to bring forward. I now go on to say in my proof: Another very interesting instance is brought to my notice by a London cycle factor represented at this Inquiry. A toy tricycle was sent from London to Manchester, its retail value being 52s. 10d. The railway company called upon the senders to pay 30s. carriage. How they arrived at it I do not know.

2301. *Chairman*: We will not go into detailed instances.—I have a list if you care to go into it.

2302. Your point is that value must be taken into account in fixing classification?—Yes. I wish to call attention to the value of the tricycle and to the amount claimed for carriage. This is out of all proportion and, I consider, should have been vastly different. I come now to page 5, general clause B. We say that railway rates should in all cases be based on the shortest available mileage between any two towns without reference to particular junctions. I venture once more to quote a concrete case. The Parliamentary distance from Coventry to Manchester is 96½ miles via Nuneaton and Stoke-on-Trent. The pre-war third-class fare, however, is 8s. 4½d., being available via Rugby and Trent Valley Line, or via Birmingham and Stafford. The railway company therefore claim the distance to be 100½ miles. The recent passenger train rates for cycles, graded as they are—1 to 30 miles; 30 to 50 miles; 50 to 100 miles; 100 to 200 miles—cause the Coventry trader to pay for cycles and motor-cycles to Manchester as for 200 miles, although the most direct route, Parliamentary distance, is but 96½ miles. The result is that cycles cost 9s. each instead of 6s., a difference of 3s.; motor-cycles cost 17s. 3d. instead of 12s., a difference of 5s. 3d. So you clearly see that for a supposed distance of 100½ miles—which I submit is not the choice of the trader—we are called upon to pay, not for 96½ miles over and above the actual distance, but (because the rates are not perforce based upon the shortest route) we pay for no less than 103½ miles more than we should. This matter has been in the hands of the London and North Western Co., and I can quote the reference to the General Manager's Office at Euston—B.M. 44346, April 8, 1920.

2303. You need not read those out.—It has been in the hands of the Board of Trade, Power, Transport and Economic Department, but all these are unable to settle the question as to the distance from Coventry to Manchester. To my firm this has meant the payment of more than £150 extra in carriage on motor-cycles and ordinary cycles for one season. The Coventry Chamber of Commerce are endeavouring to raise this in the House of Commons through Mr. E. Manville, M.P. for Coventry City, as it is of vital importance to us. Then I give one more instance of carriage on motor-cycles and cycles to Cork.

2304. *Mr. Acworth*: If you go via Stoke you go on to another company's line?—Yes.

2305. The 100 odd miles is by the London and North-Western throughout, and the other is by the North Stafford as well?—Not necessarily; because when the traffic goes via Birmingham it also goes via Stafford and Stoke.

2306. But Stafford and Stoke are North Stafford?—Yes.

2307. The shortest distance means using two routes?—Yes.

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MR. GEORGE A. WICKES.

[Continued.]

2308. And Parliament allows the second company to start afresh?—Yes. To Nuneaton is 86½, and from Nuneaton to Coventry is 8½, which makes it 96½ in all.

2309. I am not asking that. You know that was one of the provisions made by Parliament in the maximum rates ordinance?—Yes. The other instance is the distance from Coventry to Cork. The shortest distance shown here is 373½ miles, whereas we are called upon to pay for over 400. These instances could be multiplied and put before the Committee.

2310. *Chairman*: If the matter which is being discussed is a through rate on the railways that will meet your difficulties?—Yes, direct route.

2311. You will be able to claim the most direct route?—Yes. There are many other points one would like to mention, but they have already been dealt with by previous witnesses. However, there are a few points bearing particularly upon the increased cost of carriage which might be very carefully considered with advantage by the Committee. The increase of passenger rates mentioned by Mr. Billbrough of over 300 per cent. above pre-war rates, brings serious forebodings. How directly the question of transport affects high prices now ruling in the fruit and vegetable trade is a most significant instance, mentioned by Mr. Major and Mr. Swift, representing the National Federation of Fruit and Potato Trades Association before the Consumers' Council a few days ago.

2312. We are not now considering the question whether rates are or have to be raised, but only the general principle of apportioning such rates as exist between the different classes of traffic?—Yes. I only mention that because of the seriousness of the point we are considering. I can now pass on to the question on page 4—distances and routing. The question of carriage is very serious to the future development of British industries and to the economic position of all classes. The railway companies, I take it, are guided in rate apportionment by the necessary labour, haulage, distance, wear and tear of rolling-stock, etc. I wish to impress particularly upon this Committee the real urgent need of economic routing as well as economic packing. The lack of proper exchange sidings in this country gives rise to terrible waste of power, labour, truckage and wear and tear.

2313. We have not before us the question of providing additional sidings. We have before us only the question of what is the method of distributing the rates over the traffic.—Over the existing sidings?

2314. We have nothing to do with the railway facilities at this present inquiry?—I take it that it is within the range of possibility and within the range of reason to ask for the consideration of this most important point?

2315. Not before this inquiry. You may bring it before the proper authorities to see that there are some proper facilities provided; but we are the Rates Advisory Committee and have nothing to do with facilities.—With respect to the instance given in my proof of the distance traversed being 76½ miles to arrive at a destination only 15 miles from the starting point, cannot that be dealt with by this tribunal?

2316. I am afraid we cannot deal with it. We have your point about the shortest route—that we do include in the inquiry, but not the point about providing sidings.—Then I pass on to the next paragraph. The allocation system of loading has been mentioned several times. Personally, I agree with railway companies with respect to the saving of time, trouble, damage and cost, by loading through to receiving stations upon given days; but the list I submit herewith was issued on May 28 by the London and North-Western Company in Birmingham, and requires serious attention. To no less than 29 points traffic is limited to one day per week. I have here the allocation lists of the London and North-Western in Birmingham showing that they allocate traffic.

2317. This is not a question of railway rates; it is a question of railway management.—It has been mentioned here already.

2318. Perhaps I did not stop people quickly enough before.—Possibly. I wish to bring before you the seriousness of the position with regard to traders not being able to send to particular points except on one day a week.

2319. I am afraid we cannot deal with it; we cannot include it in our recommendation because it has not been referred to us.

2320. *Mr. Jepson*: What is the point you want to make on this?—The allocation of loading by the railway companies in many centres.

2321. Has not that proved generally of great advantage?—Yes, to some extent.

2322. Has it not proved of great advantage in this respect that, whereas small consignments were sent to two or three trans-shipment stations before they got to the destination, by reserving the loading through for two or three days a week you got a better service and traffic sent right through to destination, instead of going through one or two trans-shipment points. Is that generally correct?—Yes, when you give a reasonable number of days in the week for despatch.

2323. Your complaint is that some of the regulations with regard to the allocation of loading are not reasonable?—Yes.

Mr. Jepson: That is not for us to deal with; you must take that to the proper authority. Generally, I believe, it is the opinion in the country that it has been very much to the advantage of traders.

2324. *Sir Walter Berry*: It does mean that if a farmer orders a sack of seed it may be a week before it is despatched?—Yes.

2325. And when it arrives the weather may then be bad and he may be unable to sow it at all.—Yes.

2326. *Mr. Jepson*: I do not think that really, on consideration, you would say yes to that question—that a sack of seed consigned, say, to Coventry would be kept a week before it is sent away?—This is Birmingham, not Coventry.

2327. Do you suggest that goods are kept a week before they are sent away?—Yes. They are accepted on only one day a week to 29 points given on that list; and I say that it acts detrimentally to the trading interests of all sections. We now pass on to the question of some concession being granted. At the present time, and for the succeeding two or three years, the purchase of damaged goods from the Disposals Board—

2328. *Chairman*: We have nothing to do with that?—Yes. A special rate for goods purchased through the Disposals Board at a reduced rate for transit.

2329. That is a special concession that will come under exceptional rates; it cannot be dealt with as a general principle?—It can be dealt with as an exceptional rate.

2330. Yes; as a question of exceptional rates you can take that up with the railway company who will deal with it?—It has been taken up. Will you not accept that.

Chairman: That is not part of our Inquiry.

2331. *Mr. Jepson*: What we are asking you to do is to help us in the consideration of what general principles should be adopted for a permanent scheme of railway rates in place of the present, which are well recognised as temporary arrangements; and all these tariffs, percentage increases over the pre-war rates—none of these things you are speaking about help us a bit; they are really grievances on matters of detail?—The principles involved have been dealt with before. It was my endeavour this morning to avoid repeating what had been already said. I endeavoured to bring out two or three concrete instances to show you how we suffer.

Chairman: Several of your points are essentially general principles and we are obliged to you for your help and the instances you have brought forward. Some of your points, however, are not general principles, but we have derived advantage from the ones that were.

Well, I have no other point to raise unless anyone desires to ask me any question.

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MR. GEORGE A. WICKES.

[Continued.]

Cross-examined by Sir LYNDEN MACASSEY.

2332. Your first proposal is that the question of siding rates should be left to be considered in the first instance by Local Advisory Tribunals?—Yes.

2333. You recognise the question of working traffic in and out siding raises a very complicated question of railway working?—Yes.

2334. You also, with your experience, know that rather than go into each of these difficult questions in detail, many traders prefer to pay the rate to the nearest station. Do you know that?—I admit that they do pay the rate, but I do not admit that they prefer it, and if they had a local tribunal to advise them, they would not prefer it.

2335. They do, in fact, agree to pay the rate as to the nearest station for traffic to and from sidings?—Yes.

2336. You also know that there is no obligation on them to do it if they prefer not to agree and to attempt to settle the difficult question of working to and from a siding; they can do that under the ordinary railway laws?—Yes.

2337. Traders in Coventry and in the district are pretty keen people, are they not?—They have their equal in the country.

2338. They do not pay anything unless they think they are getting full value for it?—Some of them do not.

2339. Most of them do. In point of fact, although they can go and thresh out the question of sidings rate, they, in preference to doing that, do pay the rate to and from the station?—They do pay it. I agree they do pay it, but I am submitting to you that, owing to the lack of knowledge of some firms in connection with railway matters, they pay these without being able to investigate the advantages they would otherwise obtain.

2340. Sometimes one particular trader may not get quite so many services in connection with his siding as another trader. You know that?—That is agreed.

2341. But they take the broad general rule, which as a general rule is more or less fair—they take the station rate as for the traffic to and from the sidings?—Yes.

Sir Lynden Macasey: One or two questions have been raised by the witness about detention of traffic. You said very properly it did not arise in this inquiry, but probably as the complaint has been made it is hardly right that it should go out to the public uncontradicted.

Chairman: If you like to take not more than three minutes I will let you do it.

2342. *Sir Lynden Macasey*: I think I can do it in three minutes. You are not suggesting that traffic is compulsorily detained at Coventry for a week?—The list here says: "List of stations for which traffic is only accepted on specified days of the week at Curzon Street Station as shown below."

2343. That is what is called for nominated routing without trans-shipment straight through to destination?—Yes.

2344. That is what you mean?—Yes.

2345. You are not suggesting on other days when there is not nominated routing straight through to destination the traffic is not accepted and not forwarded in the ordinary way?—Yes. I am suggesting that. It has been refused in Coventry regularly

because they say we accept certain traffic on certain days only.

2346. Let me just put this to you. Is not there an arrangement in Coventry by which traffic is collected on certain days for certain towns?—Yes.

2347. That means on those days the traffic goes through to those towns for trans-shipment?—Yes.

2348. I put it to you, and I ask you to consider before you contradict it, that on other days the traffic does go through to towns but goes via trans-shipment points, and not on the basis of nominated through routing?—They do not. We issue the list every morning of the Coventry stations as to the traffic they will accept and they erase these particular towns until the given date when they accept that particular traffic. I do not say it is not a good thing in practice; but what I was going to raise a question about is that we require them to be accepted for these places on more than one day per week.

2349. Your point is that you want to get traffic sent on every day of the week on the basis of nominated through routing without trans-shipment?—No; I do not ask it. I know it is quite impossible.

2350. What exactly is your complaint?

Mr. Jepson: I do not think he puts it higher than this. He admitted to me when I asked him the question, that this nominated loading had been of general advantage to the trader in handling traffic to be sent through to destination without having to be trans-shipped at various trans-shipment points. That is quite correct. One understands that. But he says in some cases there have been delays up to a week when traffic has not been accepted because there was only loading to that particular point on one day of the week.

Sir Lynden Macasey: That is quite true.

Mr. Jepson: He is in doubt in his own mind now as to whether those cases actually arise.

Sir Lynden Macasey: I must not take more than the Chairman's allowance of three minutes, but I only want to put the point that I think the witness is in error in thinking that the traffic is compulsorily detained in Coventry anything like a week.

Mr. Acworth: It is perfectly evident there is a definite conflict of evidence. The witness says it is only accepted on the one day, and those who instruct you say, provided you will send it under ordinary conditions and not as a nominated consignment, it can go any day. One or the other is wrong.

Sir Lynden Macasey: Yes; and there is an obligation on the railway company, as you say, to afford reasonable facilities for carrying the traffic.

Mr. Acworth: Does that make them necessarily do it? The fact that there is an obligation does not make them necessarily carry it out.

2351. *Sir Lynden Macasey*: But the trader has got a remedy if the state of things exists such as the witness suggests?—This question has been raised, and I am prepared to bring evidence that traffic has been held up for a week to the disadvantage of Coventry traders, because the railway company would not accept it.

Chairman: We must not deal with it because it is not within our functions, but we notice that there is a grievance and the railway companies will no doubt clear it up.

Re-examined by Mr. F. G. THOMAS.

2352. There is one question I would like to put with regard to the Advisory Tribunal in relation to the sidings. As I understand your evidence, you are anxious that the Advisory Committee should have every opportunity of facilitating agreements between the trader and the railway company?—That is right.

2353. You feel that siding traffic is one of the most fruitful causes of disagreement?—Yes.

2354. As I understand, what you say is, I believe, that questions of that kind coming before men with knowledge of the local circumstances would be far more likely to facilitate agreements than by correspondence and eventually reference to a tribunal?—Quite right.

2355. That is what you are anxious to see done?—Yes.

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MR. ERNEST COPE LAMBERT.

[Continued.]

Mr. ERNEST COPE LAMBERT, called.

Examined by Mr. F. G. THOMAS.

2356. You are a member of the Hull Incorporated Chamber of Commerce and Shipping?—Yes.

2357. And ex-President of the Hull Corn Trade Association, and Chairman of the Railway, Dock and Warehouse Committee of the Hull Corn Trade Association?—Yes.

2358. You have been deputed to speak on behalf of the Hull Chamber of Commerce and Shipping and the traders of the port?—Yes.

2359. I would like you to state the evidence which you wish to submit to the Committee on behalf of the Hull Chamber of Commerce?—On basic principles, with reservations, I concur in the answers given by the Associated British Chambers of Commerce. May I take those answers *seriatim* just for a moment? First of all, with regard to the tribunal which it is proposed to be set up in London, you are to have shortly a letter from the Associated Chambers of Commerce which will set forth their views more fully, but it is the opinion of my Chamber, and of traders in Hull, that a tribunal composed of business men and railway men, with an independent chairman, would be an easy and more acceptable Court of Appeal than the ordinary appeal to the Railway and Canal Commissioners. But the Hull Chamber are of opinion that to make the tribunal of the greatest use it would be necessary that the local advisory committees should be given fairly large powers, otherwise it is conceivable that the tribunal would be snowed under with work. We have found in Hull, during the last few years, considerable advantages from these advisory committees. We have been working as traders in close connection with the railway men and with the Labour Party. We have found that many points of variation of opinion have been easily settled when we have got round the board and discussed matters. The Hull Chamber are of opinion that a Local Advisory Committee, with fairly broad powers, would be able to settle many of the difficulties that arise between traders and the railway company from time to time. It is difficult for a local chamber to say what the powers should be. That would be a matter for the Minister or the Board of Trade to decide, but if you do not give the local advisory committee or the conciliation board fairly broad powers, I can see that the central tribunal, if it is to be set up, would soon be overpowered by the amount of work it had to do.

2360. *Chairman*: What do you mean by powers? Do you mean that they would be entitled to decide and give a binding declaration, or do you mean merely that it would be open to them to conciliate on almost any point?—I would leave them to conciliate on any local point, but if a point of more than local interest was raised it should then go to the tribunal.

2361. The question I am asking you is whether, by using the word powers, you mean they would have any authority to enforce their decisions?—I am not prepared to say that.

2362. If it is a conciliatory body, then the less they talk about limitations the better?—Yes.

2363. The harder they try to make peace between the disputants the better, without talking about rights and wrongs?—I quite agree.

2364. But if they have any power to enforce their orders it becomes a very different proposition?—I do not think that would be wise.

2365. I understand you?—Question No. 2, from the Ministry of Transport, is the question of maximum rates. From the evidence that has been given before this Committee I do not think maximum rates are possible. I think we should have to get a standard working rate based on the 1913 rates, the pre-war rates, plus a percentage which would raise sufficient revenue to recoup the railway companies for their increased expenditure. I think the percentage would be a sliding one. I would suggest that it be sliding not only according to the mileage

hailed, but according to the value of the goods—I mean to say, an article that is worth £20 a ton and an article that is worth £200 a ton should have different rates. The dearer article would be able to bear rather a larger percentage increase than the cheaper article of £20 a ton. I follow Mr. Bradley's evidence from the Trafford Park Estates, and I think the soundest basis that I can see for the new scale would be on the pre-war rates, plus a percentage, sliding or otherwise, as you think fit, but I think sliding, which would be a standard working rate under the new conditions.

2366. *Mr. Aceorth*: What do you mean by a sliding percentage? Do you mean sliding according to class, or sliding according to both class and distance?—I think I would have it sliding according to class and distance.

2367. Supposing, for the sake of argument, the fifth class had an increase of 100 per cent. for the first 50 miles, it might drop to 30 per cent. when it got to 500—that is your meaning?—Yes.

2368. *Chairman*: I understand the taper for distance would get less per ton per mile as the distance gets longer?—Yes.

2369. We have sometimes called that tapering. I also understand that you think the more highly priced commodities could very well bear a higher percentage increase than the lower-priced commodities?—Yes, it seems to me so. I am not interested in the higher-priced commodities; I am in the corn trade. Our commodities go about £20 a ton, and they are carried in very large quantities, but I can see a higher-priced article of £200 a ton, or something like that, might bear a bigger percentage of increase in rates than the lower commodities at £20 a ton.

Chairman: I follow you.

2370. *Mr. Jepson*: I do not quite follow about your sliding percentage according to distance. As has already been suggested here (and I believe it is under the consideration of the railway companies), supposing tariffs based on mileage are put forward, the greater the distance the lower the rate per ton per mile charged?—Yes.

2371. That is what you call the tapering charge?—Yes.

2372. Do you suggest, when 50 per cent. is to be added to a particular class or a particular traffic, when you get to 100 miles, that 50 per cent. should go down to 40 per cent., and when you come to 200 miles it should be 30 per cent., so that you are having a differential percentage on an already tapering scale?—I would have it on a tapering scale.

2373. I am assuming the tapering scale is in existence?—Yes.

2374. Do you suggest that there should be a sliding percentage reducing itself as the distance increases, or do not you think it is met by an all-round percentage on an already tapering scale?—I think it is. Further about the scale, as a Hull trader, I am opposed to the flat mileage rate.

2375. *Chairman*: This is a new point. Would you give us that rather carefully?—It has been mentioned by some of the witnesses that a flat mileage rate applicable to the whole of the Kingdom is the best basis on which the new rates should be fixed.

2376. *Mr. Jepson*: So that we may not misunderstand you, will you tell us what, in your mind, is your understanding of the flat mileage scale? Do you mean whether it is 30 miles or 50 miles in any part of the country the rate should be the same—that is your meaning?—Yes; that is what I understand the other witnesses have pressed.

2377. That is right?—As a Hull trader we feel, owing to the geographical position of the port of Hull, that the flat mileage rate would act unfairly.

2378. *Mr. Aceorth*: Nobody has suggested that the same rate should be charged per mile for any distance. That is what we understand by a flat mileage rate?—Yes.

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MR. ERNEST COPE LAMBERT.

[Continued.]

2379. It is the same for every mile. What you mean is that you do not think the same general mileage scale could fairly be applied to Hull?—That is so.

2380. Let us call it general mileage and not flat rate.—The general mileage rate might act unfairly, and might cripple to a considerable extent many of the industries which have been built up there during recent years. Hull, as you know, is 50 miles roughly from any large centre of population and consumption. Other ports have their centre of consumption at their doors. It is the wish of the Hull traders that their geographical position should be taken into consideration in the fixing of the new rates. Broadly speaking, we have had no complaints in Hull on the old basis of rates. There are anomalies which doubtless will be looked into and can be put right, but the old rates have given fair satisfaction, and the traders of Hull hope to come out of this Inquiry on the new basis of rates in as favourable a position as they were in pre-war days.

2381. *Chairman*: Hull, I suppose, had a very large number of exceptional rates?—Hull is in the Humber group of ports, and I take it the rates from Hull to the West Riding are based more on the mileage from Goole than from Hull. Similarly the rate to London is based, I do not say absolutely, but practically on the mileage from Grimsby to London, which is shorter than the mileage from Hull to London. I believe the excess haulage is about 23 miles, but because Grimsby is the nearest port in the Humber group we get the rate from Grimsby to London. I understand that is the present basis on which the rates are fixed.

2382. In addition to that, has not Hull had some advantages from the coastal competition?—Yes, we have advantages from the group system rates and from the free overside working of the docks. As to the coastal competition and the inland water competition, we have had advantages there, but still there are districts which we cannot touch by water of course. There are plenty of districts we cannot touch by water communication. I grant that the main part of the West Riding, Lincolnshire, York and Selby we can touch by water, but when you get down to the Midlands, where there is competition with other ports, then we have not much water competition to help us.

2383. *Mr. Jepson*: Taking the illustration you gave just now of London, I should like to ask you this question: You have had low rates between Hull and Grimsby and London. Those low rates, I suppose, you would agree have been fixed having regard to the sea competition?—Yes, that has been a factor.

2384. Now that sea competition is practically gone, because of the increased cost of freights by sea, do you suggest that the Hull traders should still have continued in one form or another those low rates that they got because of the sea competition?—No; as traders we quite understand that the rates would have to go up very considerably.

2385. You think those are anomalies that ought to be redressed in any scientific scheme that is put in force. Where rates were made low pre-war because of sea competition or canal competition or anything of that kind, now that that competition no longer exists you think those rates ought to get up to the normal scale?—I would if the competition no longer existed, but we are not by any means yet at the normal state of things, and we hope that this competition will crop up again. I am suggesting in a few years it might. The export trade is not normal yet, and the canal traffic is not more or less normal.

2386. You would not go so far as has already been suggested on behalf of the Shipping Federation—we shall hear more about it later on—that if that competition does crop up again the railway companies should be precluded from competing with the sea again?—Certainly not. As a trader I want all the competition I can get, and I think it is for the good of the country, too.

2387. Dealing with your first point in the comparison with Hull and the West Riding, I rather

gather that the Hull people have been getting low rates because the West Riding is far away from Hull, and if you take an article imported through Hull and a similar article imported through Liverpool, you suggest that the Hull people have lower rates for 50 miles than the Liverpool people for 50 miles who have got the home consumption at the door?—Yes.

2388. You think that ought to be continued?—I think that the geographical position of being 50 miles away from any big consuming centre—I am leaving out the home manufactures at Hull, but speaking from the distribution point of view—should be taken into consideration in fixing any new scale of rates. At the same time, the old scale of rates, so far as I can learn from the traders generally, was satisfactory. If the new scale is to be based on the same percentage as the old, we shall be more or less in the same position as we were in pre-war days.

Mr. Jepson: I understand your view.

2389. *Mr. Martin*: Supposing the shipping goes back to Hull, would you like to maintain these through rates which have given preference through to Hull from abroad right to the centre of England?—I will come to that in a moment, but I was requested by the fruit trade to draw attention to this point.

2390. *Mr. Acworth*: May I get a point on what Mr. Jepson was putting to you before you reply to Mr. Martin's question? I do not think I quite follow where you are. The rates from London to Hull, broadly speaking, were lower than to a place a similar distance, say, Huddersfield or Halifax because of the water competition?—Yes, I take it that that was so.

2391. You agree that that is so?—Yes.

2392. Supposing, for the sake of argument, water competition has disappeared for good, Hull is at the same distance from London as Halifax or Huddersfield?—Yes.

2393. Ought it to keep its rates on the lower scale or ought it to accept the fact that it is now the same distance from London?—I am afraid if water competition disappeared altogether we should have to agree to a mileage route on the shortest mileage from the Humber group of ports.

2394. On the same mileage rate that is given from Huddersfield?—I think so. I am hoping water competition has not disappeared for good.

2395. Similarly, for inland carriage, canal competition to Leeds, Doncaster, and so on, has a good deal disappeared too?—No.

2396. Is it not much less?—It is less, but I am hoping that in the course of two or three years the canal and the water traffic will be very much more normal than it is to-day. We can carry to-day to Newark, Sheffield, Doncaster, Rotherham and Leeds by water more advantageously than by rail.

2397. Are those carriers subsidised?—No.

2398. Are some of the canal carriers subsidised?—So far as I know they are not subsidised.

2399. You think the inland water competition still exists seriously?—Yes. For instance, there is the Nottingham Corporation. They have already secured a Bill in Parliament to broaden the Trent from Newark to Nottingham. The War broke out and the work was stopped, but I am hoping eventually they will carry that through and make a finer waterway to Nottingham than they have already.

2400. Your point, I take it, would be this, that supposing water can carry cheaper than rail you think your rail rates inland from Hull should bear some relation to the water rates even although it makes them lower than the ordinary railway rates?—I think the railway companies would demand it.

2401. Would you like them to be allowed to do it?—Certainly.

2402. You think it is right they should do it?—Yes, otherwise you are depriving them of a very profitable traffic.

2403. I wanted to follow your point?—That is so. Shall I answer Mr. Martin's question?

2404. *Chairman*: Please do?—I have had the question of these fruit rates from the Continent

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[Continued.]

put before me by the Fruit Association. They have no definite figures of the present day, but they say the evidence given before the Royal Commission on Railways in February, 1914, holds good to-day on rather a smaller scale. They gave evidence there of apples and pears in hampers and baskets from Rotterdam. There was a through rate including ocean carriage to Manchester of 35s. 9d. a ton. The freight to Hull was computed at 25s. That was the rate charged to the Hull merchant. If the Hull merchant paid the ocean carriage and the ordinary carriage from Hull with wharfage and labour he paid 42s. 10d. a ton as against 35s. 9d. on the through rates, a difference of 8s. 1d. per ton. This Continental trade has not yet assumed normal proportions. We have not got back to normal times at all as regards that, but still instances are occurring. They suggest this Committee should consider anything given to the man with a through rate, including ocean and railway carriage, should be given to the Hull trader who buys in Rotterdam, brings to Hull, and then sends forward from Hull on a dis-jointed rate, ocean and railway separate.

2405. Does the Hull man send it through without breaking bulk; is it really the same transit?—It is all in baskets.

2406. Is there a real break?—No, it goes alongside the riverside quay in Hull, and it is trans-shipped from the ocean steamer to the trucks, and it can be done by the Hull trader or by the other.

2407. It is the same in both cases?—It is the same in both cases.

2408. *Mr. Jepson*: Do you know what happened as regards the through rate? It is 35s. 9d.—Yes.

2409. Do you know whether the people at Rotterdam paid the through rail charge from Hull for the company interested and sunk it out of their ocean freight, as you call it?—I cannot say, but the inference they give me is that in some cases the ocean boats are owned by the railway companies, and somewhere there is something given away. The Hull trader says, if there is anything given away, I want to be on the same basis as the man who has the through rate.

2410. *Mr. Martin*: You are strongly in favour of an analysis of rates which shows at the port the amount paid by water and the amount paid by rail?—Yes.

2411. So that you can see exactly what the position is?—Yes, and see that there is no preference.

2412. *Mr. Jepson*: As a Hull trader you have heard of many of these cases?—Yes.

2413. People in Germany have quoted through rates to Birmingham, and they have paid the normal rate in England and have sunk it out of freight charges?—Well, somewhere. We do not know where it is.

2414. You do not suggest in those cases the railway companies in England should meet that by reducing all through rates to the level of what the trader has had to pay out of the through traffic?—I would not suggest that, but what I would suggest is, if the railway company is giving preference to the man in Rotterdam, it should give the same preference to the Britisher.

2415. Whether it is booked locally or through?—Yes.

2416. *Sir Walter Berry*: Is it not the fact that this business of the fruit trade used to ship from Rotterdam to Hull almost wholly, where it was sold in the sale rooms and the Manchester buyers had to go there to buy?—It used to be so; not now.

2417. Owing to this through rate system the Manchester buyer is able now to get his Rotterdam fruit into Manchester at 35s. 9d., whereas the Hull trader has to pay 44s.—Yes.

2418. That is the point?—That is the point.

2419. *Mr. Martin*: You do not speak about any other trade except fruit and corn. You do not know of any other preferential rates?—I have not any figures. I have these figures of the fruit. But this has been put before me by a prominent manufacturer

in Hull, that yarns are shipped through from Antwerp to Leeds—yarns used in the spinning of twines and that sort of thing—at an extraordinarily low rate, a much lower rate than the rate at which he can ship yarn from Antwerp to Hull and trans-ship from Hull to Leeds by rail.

2420. It does apply in a good many instances apart from fruit?—It does.

2421. *Sir Walter Berry*: Do you know what the Hull-Manchester rate is?—I could not tell you to-day. The carriage in Hull in 1914 on the fruit was 16s. 6d. That is the rate here.

2422. *Chairman*: 16s. 6d. added to the 25s. would give 41s. 6d.?—Yes. Question 4 is the question of whether the new rates should be based on truck-loads or 4-ton or 5-ton lots, as the case may be. We strongly urge from Hull that it should be 4-ton, 5-ton, or 8-ton lots, as the case may be, because it appears to us that the onus is on the railway company to provide the truck. We have no say in what kind of truck they should provide. So far as grain is concerned, if I send them 5 tons of grain I am entitled to the 5-ton rate. It is up to the railway company to provide a 5-ton truck if they can. If they cannot, I do not think the trader should be asked to pay any dead freight. We strongly press for truck-loads.

2423. *Mr. Acworth*: An ordinary 10-ton truck will hold 7 tons of grain?—I think 7 or 8 tons.

2424. A 4-ton load will not fill any truck?—No.

2425. You heard what the last witness said about the economy in loading. I take it you would agree with that?—Certainly.

2426. Would you agree that in that particular case a 4-ton load was not an economical way of handling the traffic?—Well, a 4-ton rate is quite a normal load.

2427. Does not that encourage a man to send 4 tons and only use half a truck?—If it is a 4-ton rate why should he send more?

2428. That is just what I want to know?—I see.

2429. You agree if you give him 4 tons and he sends 4 tons he only uses half a truck?—Not necessarily. Many trucks that are provided for us will not hold 8 or 10 tons.

2430. But they will hold more than 4 tons?—Some of the smaller ones hold 5 tons.

2431. You agree it ought to be a rate for such quantity as will reasonably fill the truck?—Yes.

2432. This is a point where the railway companies and the traders may not agree. Supposing there is a 6-ton rate and we will assume that is reasonable, and you want to send 9, that will overflow the truck?—Yes.

2433. What do you think you ought to pay?—On the 6-ton rate.

2434. That is to say, you ought to pay, so to speak, for 6 tons and the 3 tons altogether at the same rate?—I think so.

2435. Let us look at it from the railway point of view. It runs over and they get 8 tons into one truck and you have one ton spill over into another truck. Is it fair they should carry that at the same rate as a fully loaded truck?—I think you have to take the good with the bad.

2436. Are not you asking for all the good?—No, they will get a consignment sometimes which exactly fills the truck.

2437. That is all right?—That is all right.

2438. Then you are both satisfied?—They must allow for that in their rates and charges.

2439. You think you ought to charge a little more than the reasonable wagon rate and allow for having to take something less on the overflow?—Of course, I am only speaking practically from the grain point of view.

2440. I want you to look at it from the railway companies' point of view and tell me what is fair between both. You see the railway's point?—I see your point.

2441. What is fair between the two?—I have not looked at it from the truck space point of view. I have always looked at it from the point of view that the larger consignments are easier to handle.

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[Continued]

2442. You quite follow what I say that 9 tons is less easier to handle than 7½ tons, because there is a spill over there?—Yes.

2443. Would you have the right to send the 9 tons at the same rate as the 7½ tons?—I think so, because the trucks are not all the same size. They know they have 9 tons to take.

2444. Supposing they give you a rate and give you a truck; they give you a 7-ton rate and give you a truck that takes 7 tons?—They do not give me a truck; they are the owners of the truck. They do not give me the truck; they provide the truck.

2445. They supply you with the truck?—They may supply me with one which does not suit my consignment, but it is not my fault.

2446. Supposing they say a 7-ton rate and they supply you with a truck which takes 7 tons?—Yes.

2447. They have done their duty?—Yes.

2448. Supposing you send them 9 tons?—I should tell them they are going to get a consignment of 9 tons. They know it is 9 tons and that a 7-ton truck is no use for a 9-ton consignment.

2449. Are they to have all sorts of sizes of trucks?—They have plenty of sizes for grain. I am only speaking from the grain point of view on that point.

2450. Is it possible to supply local stations with all kinds of sizes of trucks when they do not know what you are going to send?—No, I am not suggesting at local stations. You are talking of English grain. At the local stations a farmer would know about how much stuff he had and was going to thresh out, and he would require transport for that amount and he would ask the stationmaster for it. My point is this: If I give the railway company a consignment note for 20 tons of grain, I do not mind whether they put it in 4 or 5 or 6 trucks.

2451. But they do?—They will do it in the most economical way possible.

2452. Ought not you in return to give them the most economical bulk you can to suit their trucks?—I do not think so.

2453. They do?—I think I am right in stating from Hull to all the North-Eastern stations we have a special 5-ton rate. That is evidently a convenient size of consignment for the North-Eastern Railway Company. If it is 5 tons we will pay on the 5-ton rate. If it is 7 tons we will pay on the 5-ton rate.

2454. You think it is fair?—I do.

2455. *Sir Walter Berry*: Would the railway companies be able to load their small size trucks with this agricultural traffic if they did not accept 4-ton loads?—No, they would not.

2456. The consignment suggested is 9 tons; that is 4 tons and 5 tons?—Yes.

2457. It might be equally favourable to the railway company to use two of those little trucks to get them out to the local stations where they would be needed for loading up again instead of loading up 9 tons in a 10-ton truck. Is the average 10-ton truck big enough to carry 9 tons of grain? Is it possible?—I could not say definitely, but I think it would be. My whole point is that the matter of providing the truck is in the hands of the railway company, and therefore so long as I have consigned them 5 tons or over on a 5-ton rate they have no business to charge me any more than the 5-ton rate, whatever the size of the consignment.

2458. *Chairman*: Supposing they quoted you a 2-ton rate, it would be quoted on the assumption that it would not fill the truck?—It would be part truck.

2459. And supposing they also quoted you a different rate and a lower one on condition you supplied them in quantities of 7 or 8 tons or multiples of that so that they knew it would fill a truck, would that be satisfactory?—Well, that would be a special rate for a special truck load. I say if the railway company do not happen to have the special truck there they cannot quote the special rate.

2460. I am putting to you that the railway companies must be assumed to know their own business?—Yes.

2461. If they knew, generally speaking, they could supply a truck which would carry 8 tons of grain

or 7 tons of grain, or whatever it may be, it might be well worth their while to quote a rate by which they would say, "If you give us 7 tons or multiples of 7 tons you shall be carried at the lower rate, but there is a higher rate of so much a ton when you do not give us 7 tons."?—That would not say fairly on the man who has only 20 tons. He would have two 7-ton lots, and then 6 tons which he would have to pay at the higher rate, whereas the man who has 21 tons would get his whole consignment through at the low rate.

2462. It might be worked out on a little margin to assist people who had that sort of consignment. There must be inequalities whenever you have to deal with big quantities, and it will have to be paid for in one form or another. If it is done at the ton rate the companies must charge, even when you send them a truck load, a rate which would pay them for the average consignment they get?—I agree, but I am looking at it from the railway companies' point of view, particularly as we know it in Hull. They do give us a 5-ton rate for a 5-ton truck load to their stations, and therefore, it is evident that they consider that a reasonable consignment to make a full truck.

2463. I quoted 7, but 5 is very likely the appropriate one for that particular traffic.—I am only speaking from the point of view of Hull. We have the 5-ton rate from Hull. The railway companies evidently realise that is a reasonable sized consignment to handle, and they can handle it as economically as any other size. Therefore, I say if we can give them 5-ton lots it is up to the railway company to provide the truck, and if they have not a truck to absolutely fit it, it is not our fault.

2464. It is all right up to 5 tons, but it is when you get a little more than the difficulty arises?—I quite agree.

2465. They cannot have every sized truck in the world?—They cannot.

2466. They would be perfectly willing if you gave them 50 tons to let you have a spill over of 1 ton. It would be worth their while to carry your spill over even if it was only a single ton at the 5-ton rate, because getting the 50 tons in one consignment would help them, but it is when you get an amount of 1½ tons that it is a bit unfair to them?—In practice in my trade the convenient amount appears to be the 5-ton lot. They have got used to it now, and are trained to it. With millers it is a question of 50 or 100 tons, but the small foodstuff consumer is used to getting a 4-ton lot. On the Midland it is a 4-ton lot, or a 5-ton lot if it is purely the North Eastern rate.

2467. No doubt it suits both parties?—I think it does.

2468. The trouble is what is to be done with the man who, instead of dropping into the common practice, provides a 6-ton lot?—Yes. In the corn trade we have always gone by the 5-ton rate, and the railway companies have been prepared to accept it. If it is a 6-ton rate, why should not the railway company provide a 6-ton truck?—They have different sized trucks.

2469. *Sir Walter Berry*: Is not it a rate of any quantity with a minimum of 5 tons per wagon?—Not 5 tons per wagon, but 5 tons. I get them in 5-ton lots, and it is up to the railway company to provide the most appropriate wagon for the consignment.

2470. *Mr. Acworth*: You mentioned them as putting in 5-ton lots on the North Eastern and 4-ton lots on the Midland?—Yes, I think I am right in that.

2471. In the Midland district?—Yes.

2472. Would there be any hardship in screwing the Midlands up to 5 tons?—I do not know how squeezable the Midland are. I have never tried it.

2473. Would not the Midland district get accustomed to it?—They might do so.

2474. Would there be any hardship in screwing the North Eastern up to 6 tons? Might not they get

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accustomed to it?—We had trouble with some of them when they were squeezed up from 4 to 5 tons. I am looking at the small man.

2475. Do not you think that ought to be lifted again in the interests of economy?—It might; but difficulties will enter into it with the small man who will be able to finance a 5-ton lot, but when it comes to 6 tons I am not so sure he would be able to do it.

2476. Do they trade on such a small margin as that?—Some of them do. Then there has been a considerable amount of evidence given on the question of disintegration of rates, that is to say, that the railway company should set out in their rate

book the carriage, terminal charges, and cartage separately. The general opinion of the Hull traders, I think, is that it would be very nice if it can be done, but they seem to have appreciated the tremendous difficulties there are, and I have no strong demand from them that it should be done. They would like it, but they see the difficulty and they are prepared to leave it in the hands of the Committee as to whether it is feasible or not.

2477. *Mr. Jepson:* The main thing is to know what is the total rate charged?—That is the main thing. I have no other point to raise than this.

Sir Lynden Macassey: I do not ask anything.

Cross-examined by Sir ROBERT ASKE.

2478. Hull is very largely dependent on the coastwise traffic?—No, I should not say so.

2479. It is dependent to a considerable extent on the coastwise traffic?—To some extent.

2480. Particularly for the distribution of its imports?—No. You are speaking of export traffic?

2481. Yes?—I should not say so.

2482. Is not the discharge of ships to a large extent overside discharge?—It is.

2483. Does not a large quantity of traffic so discharged come in coastwise steamers?—No, I should say to a very, very small proportion. I cannot give the percentage, but it is a very small proportion indeed. The bulk of cargo discharged at Hull is discharged into craft for water transport inland, or for water transport at the Hull mills.

2484. You are speaking very largely of grain?—I am speaking of grain and seed, which are very heavy imports.

2485. There has been a considerable number of coast services from Hull discontinued?—There has.

2486. That is during the last few years?—Yes.

2487. Was not there a large amount of congestion in 1918 and 1919?—Yes, there was congestion, but no larger than in other parts in the Kingdom.

2488. But it really was very serious?—It got serious for about a month.

2489. So serious that representations were made to the Government about it?—Certainly.

2490. Do you agree that that was very much contributed to by the fact that some of the coastwise services had been discontinued?—No, I do not. It did cease to a certain extent, but only to a very small extent.

2491. You spoke about the port rates from Hull. Do you agree that in the pre-war days the shipping rates were always substantially below the rail rates? I suggest as between port to port they were substantially below—I do not mean a little below, but considerably?—How much below do you mean—25 per cent. below?

2492. At least?—No, I should not say they were 25 per cent. below.

Cross-examined by Mr. ASBY.

2502. Just one question with regard to the Local Advisory Committee. You say you are in favour of local advisory committees being set up without any compulsory powers, but with mere advisory functions. That is correct?—Advisory and conciliatory.

2503. What is there to prevent you setting up such committees to-day?—We could not set them up without the consent of the railway companies.

2504. Have you suggested to the railway companies that they should meet you in a consultative capacity?—I have suggested to the railway companies' representatives in Hull I was going to press for the setting up of advisory committees before this Inquiry, and they agreed it would be a very excellent thing, and they hoped something would come of it.

2505. Why do you want statutory or other authority to do that?—So far we have not been able to get the railway companies together, and it is not sufficient for one railway company only; we must have all the railway companies interested in the district to sit on that Board.

2493. What would you put the percentage at?—I should think 15 per cent. is nearer.

Chairman: That is almost exactly what the books say. The books take the water traffic as being not so convenient as railway traffic, and therefore it needs to be 15 per cent. below the railway rates in order to secure the custom.

2494. *Sir Robert Aske:* I may say that the rates were very much more than 15 per cent. below?—There are times when it is very much more than 15 per cent. below. If you have a flood of small coasters in a port all wanting cargo there is naturally a competition for your cargo, and one man will take at a less rate than another.

2495. Speaking as a merchant, would you agree that it is absolutely necessary that sea rates should be below rail rates in order to get any traffic at all?—I believe so.

2496. The merchant always naturally prefers the rail to the sea?—Yes, as a rule.

2497. He gets quicker transit, and there is less risk?—Well, it depends upon the circumstances. Take a miller in Newcastle. If his mill is on the water side and he can get the coastal steamer alongside, he prefers to have it by coastal steamer, because he can get it right alongside his mill. If he is a man a little way from the riverside quay at Newcastle, or a little way inland, then he must have it by rail.

2498. Saving exceptional cases where a man has a mill on the waterside, the merchant would always prefer to have his goods by rail?—A manufacturer.

2499. Or a merchant?—The consumer. Generally speaking, he would prefer to have it by rail.

2500. So the very fact that there is the rail and sea competition necessitates that the shipping companies should make their rates below the rail rates in order to get any traffic?—Yes; I think they would always have to be somewhat below.

2501. I did not gather whether you suggested with regard to railway rates that Hull should be treated differently from any other parts of the country?—No; I simply said that the grouping system at present in vogue should be continued.

2506. Let me put this to you. Take a trader as an individual. Supposing there is a question of a difference with a railway company or several railway companies; you suggest that the railway companies slam the door in his face and will not discuss the matter with him?—I should not like to say they do that, but they treat him in a very offhand way sometimes. There is no doubt in the past some of the traders have had complaints against the railway companies, and just complaints, of unfair treatment. When I say that I do not mean it unkindly, but they have been treated harshly and very cavalierly.

2507. Under the existing conciliation clause of the Act of 1888, the traders can proceed to ask for the intervention of the Board of Trade and get the explanation of the railway companies?—Yes; but you understand the small trader is not in a position to go to the Board of Trade. He does not understand the working of that.

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[Continued.]

2508. Supposing a small trader belongs to a group of traders such as, for instance, the Corn Trade Association, that group of traders has every opportunity of meeting the railway companies, have not they?—As far as the Corn Trade Association is concerned. As I have said, in our relations with the railway companies in Hull we have had little or no complaint. We have known whenever we have had a dispute that we could get into close touch with the officials in Hull, and we have more or less, with a little give and take, settled matters quite amicably.

2509. I am putting this question from the point of view of the coal trade. You have heard our view?—Yes.

(The Witness withdrew.)

Mr. W. H. GREENALL, called.

Examined by Mr. F. G. THOMAS.

2512. You are the Transport Manager of the British Oil and Cake Mills, Hull?—Yes.

2513. I would like you to state to the Committee the points which you desire to add to the evidence which has already been given by Mr. Lambert as representing the position of Hull?—Before reading my proof I would just like to make one statement with regard to through rates which were mentioned by Mr. Lambert. He omitted to state to you that wharfage and labourage, which are charged to the local merchant, are entirely forgone by the railway companies in connection with traffic on the through bill of lading. In some cases in pre-war days the wharfage was 6d. to 1s. 8d. per ton; the labour 10d. to 1s. 2d. per ton. That accounts for the difference of 9s. 1d.

2514. Mr. Jepson: You mean to say, when you say "it has been foregone by the railway companies," they treat these charges as being included in the through rate?—Yes; and in almost every case the ship is the property of the railway company, either of the North-Eastern or of the Lancashire and Yorkshire. I will now refer to my proof. I am in agreement with the principle of the replies of the Associated Chambers of Commerce in their letter of March 24 to the Ministry, and therefore will only deal with a few of the questions which were asked by the Minister. I fully agree with the evidence of the previous witness, Mr. Lambert. The first point I want to mention is with regard to maxima. In view of the evidence which has been given during the course of this inquiry, I would slightly vary the wording as laid down in the proof. I am now fully in agreement with the idea of a working rate, and would suggest that the ratio as existing for the different classes under the present maximum, would appear to be a fairly equitable basis, and any increase on these maxima should be in similar proportions, and presumably the same condition as to minimum weight attaching to the rate should apply as at present, and these would be the working rates for the traffic in these quantities. There is just one point I would like to make in reference to that. I have studied the proposed scheme of the Chairman, and I see that it works out in total practically the same as the pre-war maxima.

2515. Mr. Balfour Browne: That is the scale?—Yes.

Mr. Balfour Browne: I have had it worked out, and it is very like the pre-war scale.

2516. Chairman: It was meant to be. It was based on it, and it was done in round figures. It is not a suggestion; it is only a table on which suggestions could be made.

Witness: I have worked out that ratio. Under the old scale, for instance, Class C traffic, on 150 miles, it was as 100 to 176; and under the proposed scale it is as 100 to 171; which will show that there is very little variation. I would, however, just like to suggest, entirely as my own view, that having regard to the varying prices of different commodities, it

2510. We suggest there is no difficulty at the present time in either a trader or a group of traders meeting the railway companies and endeavouring to arrange things on a conciliatory basis?—No. There is no question, so far as the corn trade is concerned, about that. But I do think for the general working of the railway companies it would not be against the interests of the companies to meet the traders occasionally on these points and discuss matters with them.

2511. My difficulty is in understanding why statutory authority is wanted to set up a body that has no compulsory powers.—I see.

Chairman: We are very much obliged to you. This will certainly help us.

might be possible, without any hardship to higher classed articles, somewhat to increase the basis on which it is proposed to work Classes 2 to 5 traffic. It seems that, having regard to the risk which is taken by the railway companies on Class C traffic, as against Classes 2, 3, 4 and 5, that the Class C is a very exceptionally good paying traffic to the railway companies, and nothing like such a good business in the higher commodities. For example, under the Chairman's proposal, taking Class C as a £200 basis, and Class 2 as a £300, that is ratio of 1 as against 1½. But taking the average price of commodities, the difference between Class C and Class 2 is anything between £15 to £20 with Class C, and a fair average of £200 for Class 2. The majority of articles dealt with in Class 2, are retailed to the public at so much per lb. It requires a rate of £9 6s. 8d. to make an addition of 1d. to the selling price; so that it cannot be said that the increased rate under Class 2 and other articles is in any way responsible for the increased cost of those articles.

2517. Chairman: Oil cake comes in Class C?—Yes; the average price to-day varying from £10 to £20.

2518. Mr. Acworth: Do we take it as your general proposition that the difference in the scale which has been printed in the Notes should widen all the way?—Yes; that is really what I suggest.

2519. They ought to get further apart all the way?—Yes. Although the scale put in perhaps looks rather alarming, you say on the January 15 increase a considerably longer fan. It should be borne in mind that the percentage of carriage on the cost of the article is very considerably less than on a Class 5 article, which is right up at the top.

2520. You have suggested that the classes above C should steepen, if I may so call it?—Yes.

2521. Do you suggest that the classes below C should flatten still lower?—Well, it is all coal and your A traffic. There is not a great deal of difference in the selling prices of B and C traffics.

2522. What about A; what about coal. Coal has got a 25 per cent. increase now under the new scale.

Do you think that was rather large?—I should like to explain that in rather a different way. The Class A rate has not much bearing on the particular rates which are always charged for coal traffic, and in every case you are a considerable way below your class rate.

2523. Never mind the class rate. Supposing the class rate is for a separate class, as it really is, do you think 25 per cent. on coal, as compared with 80 per cent. on pianos, was rather too high?—I would say it was too little for pianos.

2524. Class C was 50 per cent., was not it?—Yes.

2525. Do you think that the ratio between 25 per cent. for coal and 50 per cent. for Class C is reasonable?—Only from the point of view that you must have a minimum admittedly which is the smallest amount you can increase.

2526. Would you like to put coal down to an increase of 30 per cent.? I am only trying to get at what is in your mind?—On the rates charged for coal,

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[Continued.]

a variation between 20 per cent. and 25 per cent. is only a very small sum of money.

2527. *Chairman*: Do you think that coal should be increased as little as possible?—Yes, having regard to the fact that it is Class A, and the increase on the coal does not come to a very large sum per ton.

2528. It was 2s. addition on 7s.—I can explain that later on.

2529. Are you going to deal with the rate question later on?

2530. *Mr. Acworth*: I do not understand now your point about the maxima. You said you wanted fixed rates by a tribunal?—To have a working rate.

2531. To be fixed?—Yes.

2532. Not that the railway company can put in what they please, but it is to be fixed for them. That is what I understand you want?—Presumably they will put in their figure.

2533. It will be subject to approval?—The trader has not the necessary statistics for finding out what it is.

2534. Would you propose that any alteration should be proved by the tribunal?—Yes.

2535. Do you want a maximum as well as that?—No; the working rate.

2536. You do not require a maximum if you have got a fixed working rate which is controlled?—The fixed rate for the particular minima attached to that rate would be the working rate.

2537. You do not want the old statutory maxima in addition?—Not in addition.

Exceptional Rates.—There are at present a large number of so called Exceptional Rates which are given to traders who can comply with the conditions attaching thereto, for instance, 4 and 5 ton grain rates which are already on the basis of scales arranged by the different companies, and it should be possible to devise scales on a fixed percentage below the maxima, incorporating a good many traffics in each class for a particular scale with heavier weight conditions. I instance that it might be possible to fix the scale for many that is Class C articles for 5-ton lots, as there are many exceptional rates between two particular stations which only vary a copper or so, and these slight differences might be adjusted without handicap to traders or railway companies and thus provide to some extent simplicity and uniformity.

2538. *Mr. Jepson*: One moment before you part from it. You suggest that a good many of these exceptional rates are 4 and 5-ton rates; whereas the ordinary conditions for the class would be 2 tons. Therefore, if you turned the scale into a tariff and called it 5-ton lots, then you would do away with all these exceptional rates necessary?—Yes, the particular point I have in my mind is this: you have a grain rate to one station, and you will have a grain rate at another station. In the one case the grain rate may be 2d. above the ordinary rate; and at the next station the 2d. variation is in the other direction, and I never can quite follow what is the advantage to the railway company in that.

2539. Those anomalies and little inequalities will be redressed by having a general scale, say, for 5 tons?—We have an example here in the case of rates between London and Hull. These are old rates: butter, 25s.; biscuits, 28s. 6d.; lard, 28s. 7d. A trader cannot see why there should be that difference when they are all noted with the same conditions. You might draw a mean average, and that be your rate for the three commodities. They are all noted with the same conditions. Then I come to possibility of single scale to all railways. On first glance this appears to be a very taking proposal, but I venture to question the practicalness of the suggestion, and the railway companies themselves state in any case it will be necessary to make exceptions from standard scales in the case of group rates, export rates, and rates quoted to meet water or other competition. We are faced with the fact that the large centres of population are not equal distances from the ports, and the natural conclusion would appear to be that

trade, both import and export, would be drawn to those ports in closest proximity to the large consuming areas. Even admitting the advantage given to longer distance traffic under the cumulative principle, and apart from the ability of those ports to deal with such a situation, the claims of the ports which suffer will have to be taken into consideration. To illustrate what I am intending to convey, the ports on the North-East Coast are situated further away from the thickly-populated districts than those on the West Coast, and the railway rates were in the past put into operation for traffics which, although on a low basis, were of a paying character to the railway companies, and enabled goods to be put in the populous areas, not at a gross cheaper rate than the figure from the West Coast, but brought matters more on equality. It should be borne in mind that on the existence of these rates businesses have been built up, trade encouraged, and facilities provided to cope with the traffic which has arisen in consequence, and it is to be feared that with fixed tariffs equally applicable all round there would be great dislocation of traffic, and certain ports would be very seriously hit, to the material advantage of others, with no apparent benefit to the general public. Further, certain railway companies, owing to many circumstances, get a better return for their transport than others, owing, for instance, to length of haul, and it surely cannot be held that they could not, if they desired, put in tariffs applicable only to their own local system, used on lower scales than traffic carried on two or more companies. The particular point I have in mind is the question of the North-Eastern 5-ton grain scale, which, I believe, is on the cheapest basis of any grain scale in the country, which has enabled the North-Eastern in every case to get nothing less than 5 tons per truck. We feel, in view of the necessity for increasing rates, if it was decided that you must have 100 per cent. increase, that you should have the 100 per cent. on the basis of the old scale, and not bring that scale up to the basis of a general tariff which might mean possibly 150 per cent. increase on the rates which we have hitherto paid. The point may be met by full consideration under some tribunal appointed by the Ministry, but it is felt by the traders in the Humber district that it is very necessary even at this stage to draw attention to what would appear to be the absolute impossibility of the application of fixed scales, and with the institution of exceptions this does away with all-round uniformity which is impossible. *Group Rates*.—The necessity of keeping these in existence is most essential, and so far as the Humber ports are concerned we must press for the continuance of these, and the basis of the rates for this Group is a matter which, if not discussable by this Committee, could be settled by such a tribunal as it is proposed should be set up, and I do not therefore at this stage propose to say anything further on this matter, with the exception that, as Mr. Lambert told you, we believe that our group rates are based in every case on the shortest possible distance from the nearest port to the point of consumption, and that is the principle which we should still like to be continued in arriving at what you perhaps would call the Hull rate or the group rate. It might possibly be got over by the question of the bogus mileage, only I believe that proposal was turned down as not being desirable. *Canal Competition*.—Traders who are in a position to make use of this form of transport would like to know what is the attitude of the railway companies. Are we to take it that the railway companies do not desire to carry in competition with water, as they have in the past quoted rates which, although low, have, owing to the higher wagon limits attaching to the rate, proved remunerative. Are we to understand that the rail rates will be fixed so high as to be prohibitive for rail carrying, thus enabling the canal carriers to quote rates just below the published rail figures? I am in a position to give canal rates which are to-day below the rail rates quoted for Class C with the January 15th addition, as any increase of rail rate is followed by increase in canal figures.

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[Continued.]

This is a list of rates which was given in by what is known as the Hull Keelowners' Association to the Ministry of Food, in connection with the difficulties we had during the winter, owing to the congestion of rail traffic in London. If you take Newark, it is 12s. 6d. by water. As a matter of fact, that is the limit. The rate we are paying to-day is 11s. The rail rate is 13s. That is for oilcake or grain.

2540. *Chairman*: That is the Trent Navigation?—No; in many cases in such places as Hull, you can get considerably cheaper rates, both in canal traffic and coastal traffic, from what we call the Non-Conference lines. You go to the Trent Navigation and you get a considerably higher rate from them than from what are known as the bye-traders.

2541. That is the rate over the Trent Navigation system?—Yes.

2542. To Newark?—Yes.

2543. *Mr. Acworth*: Is that bye-trader subsidised?—He is not subsidised.

2544. Is he doing that to-day?—We are paying 11s. per ton, keel loads. Class C traffic generally goes in keel loads.

2545. That is the condition of the traffic?—There is no condition of rate, but he knows, owing to the volume of our business, it is not a question of filling one keel. It is a question of whether he can provide enough keels.

2546. Would I get that from him if I offered him a single ton of Class C stuff?—No, you could not. Lincoln, 10s.; Wakefield, 7s. 7d.; Leeds, 8s.

2547. *Chairman*: What is the railway rate in comparison with that?—I can give you the railway rate. The Newark rate was 13s. The old Leeds rate was 7s. 11d. That will be about 12s. 3d. to Leeds now.

2548. *Mr. Acworth*: None of these bye-traders are subsidised, so far as you know?—They are not subsidised. That is absolutely definite.

2549. Is it your impression they are making it pay; or are they doing it to keep their business together?—I understand they are making it pay. They come straight up to the mill, and they go straight up to the discharging point in Newark.

2550. They do not do loading or unloading?—All these keels have only one man in the boat.

2551. You do your own loading and unloading?—Yes; it is not necessary to employ more labour than what you have already got.

2552. *Mr. Jepson*: But the essential thing is you always give them a boatload?—Yes.

2553. Whereas when you send by rail, it is the 4 or 5-ton rate?—Yes, but the difficulty is the railways cannot carry them.

2554. That is what you are comparing it with. It is a vessel to be loaded up by a bye-trader who is not a party to the Conference, as compared with a 2, 4 or 5-ton rate charged by the railway company?—Yes; but if you went to the railway company and asked for a 100-ton lot rate, you would not get any reduction; and therefore, the circumstances are more or less identical.

2555. I think these rates would be C and D?—Collected station to station.

2556. But they do include collection in Hull, I think?—Yes; when you can get it, but during the last winter you could not get it. Coastal competition: Without dwelling at any length on this, the same factors apply, and there should be some satisfactory proof to traders that rates are not fixed at such a figure as to merely leave it open to the coastwise shippers to quote a rate just below the rail rate and the traders hope to have evidence that there is a genuine desire on the part of the railway companies to carry traffic between ports at reasonably remunerative rates, as in certain short distances, coast trades, it is even possible to obtain shipment at the existing rail rates, and any increase in the rail rates will only be followed by corresponding increase in the water carriage.

2557. *Chairman*: We shall hear more about it presently; but we had some evidence on another occasion that shipping rates are hardly remunerative at pre-

sent, and have to be subsidised?—The difficulty regarding coastal business has been, firstly, the shortage of boats; but in many cases you can fix up what we call an odd boat, or a catch boat. You can get a catch boat, which, probably, for his own reasons, desires to be at a particular port; and in that case he goes shillings below the Conference line; but the first question that such a man asks you—he is generally doing his own chartering himself—is: "What is the rail rate?" For instance, the Conference rate on oilcake to the South Coast and up as far as Bristol and Bridgewater, is 50s. per ton. Last week we loaded on a boat free in and out at 24s. The first question the captain asked me is: "What is the rail rate?" We said: "28s. 1d." He said he would do it for 24s. free in and out. If we had said the rail rate was 34s., he would probably have gone for 30s. That is why we say there must be some connection between the rail rates and the shipping rates. Another point I would like to bring in in connection with this coastal business is this. In many cases in Hull are in competition as manufacturers, not as importers, with imported articles direct from the Continent, brought by small craft in the small East Coast ports, and by a cheaper rail rate. We are probably in a position to compete with the short distance Conference rail traffic. I will quote a case in point, Norfolk. In pre-war days, you might say there were thousands of tons of German imported oilcake coming in boats of 1,000 tons. Those oilcakes were distributed in Norfolk, so we in Hull are in competition with that kind of business. The rates in Norfolk are admittedly very cheap. Were they put in solely for coastal competition purposes, or were they put in to meet foreign imported goods? I do not know the origin of the cheap rates; but, admittedly, they are cheap.

2558. *Mr. Jepson*: Would you assume, taking these boats which go in to Lynn and Boston and these places, that the low rates for Hull were because of the Boston and Lynn competition? If the Boston and Lynn competition is done away with, should those low rates from Hull to the interior of Norfolk go up to the normal scale?—But the competition is not done away with.

2559. I ask you to assume that it is done away with. Would you agree that the Hull rates to the Norfolk district should go up to the normal scale?—We would agree that, provided we understood that if the competition was revived, we should have the lower rates at the fixed traffic.

2560. If the competition did become existent and real competition, you would not object to the railway company again coming in the field and competing for it, even although they might have to carry at a lower profit than their normal scale?—No, we should not object.

2561. You would rather welcome it?—We should. The point I am really wanting to bring out is, that it does not always follow that these so-called cheap port-to-port rates were put in merely for the purpose of competing with the coastwise shippers. There are many other reasons which, on the first glance, people are apt to overlook. The same factor applies in many parts of the country. We in Hull could compete, or we could prior to the 15th January increase, for many miles beyond our own particular area, but since the addition of the 50 per cent., that increase has undoubtedly caused us to an extent to decrease the limit of our area. The reason for that is this. Supposing in the old days you had a rate of 10s., and our rate from Hull was 15s., we could probably arrange to face that competition; but with 50 per cent. on your 15s., you are throwing a greater weight of money on to the long distance man; and that is another point why we feel you should probably put your percentage increase of 50 per cent. or 60 per cent., or whatever it may be, on the same basis all round; and you could give a somewhat greater assistance to the long distance traffic than even is proposed to be given.

2562. *Mr. Jepson*: Is your proposal different to that which I gather from the last witness, that with

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[Continued.]

regard to long distance traffic the percentage addition on a particular class should be lower for long distances than for short distances?—Yes. As far as I understand the Chairman's proposal, he works his proposal somewhat on these lines. As 100 is to 85 for the first 30 miles, as 100 is to 50 for the next 50 miles, as 100 is to 40 for the next. That is Class A traffic. Take Class C, 85 for 30 miles, 60 per cent. for 50 miles, and 40 per cent. for the rest of the journey. We go so far as to say if you are on 200 miles, you should give more reduction. If you are on 250, you should give still more.

2563. Not such a rate percentage increase?—We have no information as to what are the working costs for railway companies for long-distance traffic as against short-distance traffic; but it is quite agreed that it is much cheaper to work full truck-loads 200 miles as against a lot of short-distance traffic; and we think every assistance should be given to long-distance traffic.

2564. *Chairman*: You think it is worth while having even an additional drop after 200 miles?—It is quite possible it would be an advantage. We do not know as traders what exactly the railway company wants to do—whether they want to cultivate traffic and give a free interchange of traffic in all parts of the country; or whether they merely wanted restrictive business.

2565. They want to increase traffic?—During the last year or so they have not wanted to do so. We have been turned down time after time, and had difficulties put in our way.

2566. They would build new lines if they could go on getting new traffic?—Unit of charge: The railway companies, in their reply under this heading, suggest that the rate should apply to a minimum quantity representing a "full truck" load and carried in a single truck. This will not meet with the traders' wishes, and is not always workable. Certain truck rates are now quoted, and the companies are not always in a position to supply the desired vehicle even only for a 5-ton Class C article, and therefore the conditions should still be "Tons."

2567. *Mr. Acworth*: That does not rule out the possibility, taking the case of a rate of 5 tons, if it is a lot of 5 tons, that might meet the railway view; but would you ask to be allowed to send 6 tons?—The point I want to bring out is, that the onus of providing the truck must be on the railway company. The point we have in mind is, that during the war, referring again to North-Eastern 5-tons grain scale, which is a truck rate, 5 tons per truck, the North-Eastern Railway Company in many cases were not in a position even to provide wagons capable of carrying 5 tons, not in isolated cases, but in hundreds of cases. After months of correspondence, it was finally agreed that the railway companies should not call upon the trader to pay for two wagon-loads in such a case, because the 5-ton lot is not unreasonable for such an article as grain or oilcake.

2568. You see you want to have a rate for a 5-ton lot. That is what you ask, is not it?—The trader would have better protection than the proposal of the railway company, who say: Well, now, it is a 6-ton load rate; and if we send you a wagon which only takes 4 tons, that is your fault and not ours.

2569. I do not suppose they are going to say that. What you would like is, say, for C traffic, a normal truck, a rate for a 5-ton lot?—Yes; speaking for our own business, we are quite prepared to have a 5-ton lot rate universal all over the country.

2570. Do you claim that you ought to be able to send a 5-ton lot at a 5-ton lot rate?—Yes, we do, if the railway company does not provide the necessary vehicle.

2571. You have agreed with the railway company that 5 tons is a reasonable load for a wagon; and so you fix a 5-ton rate. Then when you have filled your wagon, do you claim you should be allowed to send 6 tons at the 5-ton rate?—Yes.

2572. That is to say, you claim that the odd spill-over into the second wagon is to be charged at the same rate as the full one?—So far as the cake business is concerned, in every case the quantity forwarded is governed by the conditions of the rate. With the Midland Company we do not send anything but 4-ton lots; and on the North Eastern we do not send less than 5 tons—we do not send more—or we send multiples of five.

2573. *Chairman*: If it is in multiples, the railway companies can have no ground of complaint. If you claim, having sent one lot of 5 tons, you may send a couple of hundredweights extra at the 5-ton rate, the railway company would have a great complaint?—May I take last winter? At the request of the railway companies we circulated all customers to send orders in 8-ton lots for economical loading. If that has been done at the request of the railway company, and they, for their own convenience or necessity, have to use two wagons, you should not throw the extra charge on the trader.

2574. *Mr. Acworth*: I am not talking about that. The real point is you and the railway company both agree there that the reasonable load for the truck is 8 tons?—Yes.

2575. But do you claim that it is fair to send 9 tons at the same rate?—Not in one wagon.

2576. You do not?—No.

2577. *Sir Walter Berry*: Is not it the case all over the country, that the cheapest grain rate has been for the 4-ton lot—4 tons per wagon?—Yes.

2578. You know Hull and other towns on the North Eastern have arranged to help the railway company by agreeing to make it a 5-ton lot. You get your farmers to send 5 tons instead of 4 to make it better loading. You have agreed to that?—Yes.

2579. If you have to send a 9-ton lot, do you agree that you must pay as for two trucks if one truck takes 7 tons, and another 2 tons have to go in another truck?—Having regard to the years that the North Eastern 5-ton scale has been in existence, I think you would rarely find anything, but 5 tons is ever offered for a grain wagon.

2580. *Mr. Jepson*: In other words, you have brought yourselves into line with the reasonable conditions of the railway company?—Because 5 tons is reasonable, but 8 tons would not be reasonable.

2581. You would like an 8-ton load if you got a further concession on the rate. You would develop the business on the 8-ton basis if the railway company could guarantee you concessions on the 8-ton load?—Yes, but the responsibility should not be thrown on the trader.

2582. If the railway company have to use an 8-ton truck for a consignment of 2 tons, they would have to charge you the 8-ton rate?—Yes.

2583. Which is the existing state of affairs to-day?—Yes. Cartage: it is most desirable that this should be omitted from the rate and a separate item charged in competition with the price quoted by local carters. That is to say, I take it that the tariff would be conveyance only, or conveyance and terminals together, and the cartage would then become a separate transaction.

2584. *Chairman*: That is the view that has been put by several witnesses, but the week before last several witnesses came forward and said they still wanted C and D rates. You do not agree?—I think what they intended to say was they would still desire the railway company to do the carting.

2585. You suggest that they should be station-to-station rates with a separate charge for cartage done?—We think that the cartage, varying so much at different centres, should be a separate transaction. Station and service terminals: I agree with all the witnesses on the desirability and necessity of these being separate items, and any scales and tariffs should be conveyance only. I think I have nothing further to add.

Sir Lynden Macassey: I have no question.

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[Continued.]

Cross-examined by SIR ROBERT ASKE.

2586. Do I understand you are in favour of exceptional rates on import traffic?—Provided the same facility is given to the same kind of traffic by the local manufacture, which will then bring it round that the rates are identical.

2587. Are you in favour of exceptional rates being given on import traffic above the home traffic?—No.

2588. Are you in favour of exceptional rates being given on export traffic as against home traffic?—It may be necessary having regard to the various circumstances of the particular district, but we in Hull cannot speak about that.

2589. You are here to speak for the Chamber of Commerce?—The point is one which I myself have not gone into closely, and I should prefer not to express an opinion on that. If we have any export business it arises in the port, and therefore the rail rate question does not come into it.

2590. You suggest certain other exceptional rates were necessary?—Yes.

2591. Can you suggest any principle on which those exceptional rates should run?—It is very, very difficult indeed to lay down any principle, because circumstances vary.

2592. Cannot you reduce your circumstances into principles?—If I may explain what I want to bring out, we will take Hull as a case in point. The principle to be adopted there are the rates by rail from the competing port, and how far the railway companies themselves are prepared to go to give them still a paying business, and put the trader into a position to compete with other districts. That is the only principle.

2593. Does not that principle apply, if it is the principle, each way; that if you were given a cheap rate from Hull into Lancashire you could give a cheap rate from Lancashire into Yorkshire?—If your manufacturer has some commodity in Lancashire, if you gave him his cheap rate you might land him into a place where he had no sale, and it was not a suitable district. Let us take a case in point. Take Hull. Fifty miles from Hull you would hardly sell anything of any description.

2594. Ought not he to have the option?—If the cases were identical.

2595. Then what it comes to is that the rates ought to be the same for the same services?—But what we are trying to prove is that the conditions are not identical. Would you suggest that if you come to the conclusion that with a tariff rate we could do any business in particular commodities out of Hull, so that the manufacturer will merely move his mills into the place where he can do his business, the result being that the railway company in the port he has left will neither get the business at the tariff rate, nor at any other rate?

2596. You are suggesting that the refund on the railway rates constitutes a profitable line?—What I am trying to point out is, it would be equally profitable, or more profitable, for the railway company to carry it for 100 miles at a rate below the tariff rate, than to carry it for 30 miles at that rate. It does not follow that the exceptional rate for a so-called exceptional tariff is unprofitable to the railway company.

2597. It may be unprofitable to your competitors.—Then you are merely coming round to your argument that you lay down the principle that all merchants must restrict their business to their own area.

2598. Then do I take it that the one principle that you suggest is that you should try in the interests of the consumer to make commodities at the same price in all parts of the country?—If there is competition between three or four different people for the same consuming area, it is obviously to the benefit of the people in that consuming area, where-

as if you have only one kind from one particular place there is no competition.

2599. Is there any other principle that you are suggesting except giving the consumers all over the country the same rate for commodities?—It is not exactly the same rate. It is the object to put the article into all parts of the country.

2600. To give the consumer the same supply and the same price for commodities all over the country is the one principle on which you suggest exceptional rates should be given?—It is a principle which should be apparent.

2601. Is there any other?—Well, I think that to a very large extent covers the ground.

2602. *Mr. Jepson:* Take your own particular business of the maker of oil cakes. You say that Hull should have a lower scale of rates to get to the further distant markets, say beyond 20 miles, than Liverpool. You are in strong competition with the Liverpool oilcake makers. Suppose they want a rate on the same basis into Yorkshire, or somewhere near to Hull, would you object to them having an exceptional rate on the same basis that you have from Hull to Lancashire?—No, we do not object. The only thing we say is that where it may apply in the case in point to one particular district, in the case of Hull it would apply to a dozen districts.

2603. Your point is that Hull is so far away from any congested centres of population like the West Riding, and Liverpool is not in that condition. It has its home market all round it. You say because of that that Hull ought to have some preferential treatment?—Yes; we have no home market.

2604. Therefore Hull requires some preferential treatment as compared with Liverpool?—Our point is that we have to put our goods into more distant markets, more than any other branch of industry.

2605. I do not know whether it does occur or not, but let us assume some Continental oilcake makers send through Hull, and they can also send direct to London?—Yes.

2606. Would you object to the railway companies in competition with that through sea service to London carrying through Hull at reduced rates?—You mean between Hull and London by rail?

2607. Through, as part of the through rate, to compete with the through sea service of London.—You see, in such a commodity as oilcake, the question of a direct route between two ports such as Hull and London does not arise—not in the oilcake trade.

2608. We know it does arise with fruit from Harwich, and so on. In that case the through rate via the Great Eastern from Harwich is the same as the sea route direct. You would object to a thing like that occurring at Hull, because you would say it was unduly preferring imported stuff as compared with stuff which was made at Hull?—Yes; our whole point is that, where conditions are equal, we do not want better treatment than anybody else; but where conditions are unequal, we want to be brought into a position to compete with better placed ports.

Mr. F. G. Thomas: There are many witnesses we might call before you representing other districts, but we are dealing here with questions of general principle; and, as I am informed they would only corroborate the evidence which has been already laid before you, I do not think it is necessary to call them. There is one witness I should like to call. He was present during the first six days of the Inquiry, but he has not been able to be here to-day. He comes from Glasgow, and I think he could give you some useful evidence. Subject to your permission, I would like to call him, perhaps to-morrow.

Chairman: We think he might be called; but we will see in a moment about the question of time. Is the shipping case ready to begin?

Sir Robert Aske: Yes.

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[Continued.]

Chairman: We will go on with that after the adjournment. It may be of some interest to people generally to know which days we sit. It is our intention to sit to-morrow and Thursday. We shall not

be sitting on Friday. After that we will resume on Tuesday of next week; and we will try and get on as fast as we can.

(Adjourned for a short time.)

Mr. Wardley: I appear for the Association of Railways—the small railway companies. I may ask your permission to call a witness or two later.

Chairman: Very well.

Sir Robert Aske: I represent the Chamber of Shipping of the United Kingdom and the Liverpool Steamship Owners' Association; so that between the two you have represented here the whole of the coasting trade of the country. It is proposed to present this case comparatively briefly, but I hope that the case will not suffer in consequence of that. It is not so easy, of course, to present this case as to present many of the other cases, because the railways are the only branch of transport which is represented upon your Committee, and that is a difficulty; because the question of railway rates cannot be considered as though railways are a watertight compartment. They are only one branch of the transport system of the country, and no vital change can be made in any one branch of the national transport without affecting for better or worse all the other systems. On the one side you have the rail and road on land, and on the other side you have the various branches of sea transport. With reference to sea transport, I should like to read a few words from a Report of the Port and Transit Committee which was established directly by the War Cabinet to deal with the serious congestion which arose very largely because of the diminution in the coastal traffic of the country. That Report states very clearly the duties of the various branches of the sea service. First of all, ocean liners. The greater part of the food and general imports and of the general exports in the foreign trade were carried by the regular steamship lines to and from the big ports, such as London, Liverpool, Manchester, Bristol, Southampton, Leith, and so on. Secondly, ocean tramps. The greater part of the ore and timber imports and of the coal exports were carried by the tramps to and from the ore, timber and coal ports. In addition, the tramps brought in as full cargoes a considerable amount of the grain and general imports, and these cargoes were carried largely to the ports which were not liner ports. Thirdly, coasting liners generally. These maintained regular services round Great Britain and to Ireland. They were based mainly on the big liner ports, and they distributed and collected large quantities of both general imports and exports carried in the foreign trade by the liners. Fourthly, coasting colliers. Many vessels were engaged in carrying coal on regular routes. Fifthly, coasting tramps. They carried whole cargoes of coal or other commodities, as required, to and from the smaller ports. That is an official definition of the various branches of the coasting and other traffic. In addition to that, of course, there is the water-borne traffic on canals and other waterways. The first point that I desire respectfully to emphasise is that you cannot interfere in any way with the system of railway rates without seriously affecting these other branches of the national transport. You have this great consideration at the outset, that before the war the coasting services carried 70,000,000 tons a year; and if anything is done which will seriously affect the quantity which will be carried by the coasting traffic, then correspondingly that amount of tonnage must come upon the railways to be handled or not handled at all. In the one case it would impose upon the railways a task which they are absolutely incapable of fulfilling; and in the other case, that is, if the tonnage were not carried at all, it would be a most serious matter in the national interests. The position was stated by the Minister of Transport in the House of Commons on July 10, 1919, when dealing with the Ways and Communications

Bill, in these words, which I respectfully desire to adopt:—" . . . there is the coastal traffic. Many hon. Members are familiar with the position of the coastal traffic of this country. It was, roughly speaking, I think, about 70,000,000 tons a year. To-day, on account of the subsidy to railways—because that 260,000,000 is a subsidy—the coastal traffic is practically dead, and the 70,000,000 tons, or such part of it as under present disturbed industrial conditions it is desired to move—and there are large quantities—cannot be carried coastwise, because consignors cannot afford to pay the rates which the coastal steamers demand, when they can send it at lower subsidised railway rates. A very large proportion of the 70,000,000 tons of coastal traffic is to-day waiting to get away on the railways at the lower rate, and all coastal business is dead. That is a bad thing. It is stopping the development of trade, and it is killing a very valuable and important business. After all, our coastal traffic corresponds to the water-borne traffic on the great waterways of Europe. We have not those waterways, but we have the sea around our coasts, and that is really the comparison. That traffic is dead to-day because the railways are subsidised. That is one instance, but the result of the subsidy on the physical condition of our railways does not stop there. As hon. members know, the cartage rate is bound up in the railway rates. The cartage and delivery rates have not been put up because the full rate is subsidised. The consequence is that, just as the coastal carrier cannot live against the subsidised railway traffic, so the private carter cannot live against the subsidised railway cartage. The consequence is that, with the difficulty of horses, the difficulty of getting fodder, the difficulties in regard to men and their wages, the disturbed conditions generally prevailing, and no money, the private carter is lethargic, and the whole of the cartage is being thrown on the railway cartage staff, which cannot handle the business—they have not the means. The consequence is that the delay of the rolling stock is perfectly colossal and abnormal . . . " That is the statement of the Minister of Transport in July, 1919, before the subsidy was granted upon goods carried in steamers; and that is the position which the country has to face when that subsidy is taken off, and unless conditions are in some way changed which will enable the coastal traffic to live as a business concern. Now, that is a matter which directly arises from and seriously affects the consideration of the question of railway rates. It was, therefore, with considerable concern that the shipping industry heard of the proposal which was made that the question of exceptional rates might be left over to the determination of the railway companies and traders; that your Committee should in the first instance, lay down general scales and tariffs which would be operative throughout the whole of the country, which would be framed, having regard to the particular needs of the various commodities, to the distances it would be carried, to the ease of handling, to the cost of carriage, and so forth; that after all these matters were taken into consideration the general rates would be reduced into scales and tariffs, but that outside that there were to be—or might be—some exceptional rates which were to be left to the railway companies and the traders. Against that proposal at the outset the shipping industry venture to lodge a strong and emphatic protest. They submit that this is not a matter to be determined by the railway companies and traders; that although they recognise the important interest

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of the railway companies and the traders in this question, yet those, I suggest, have to bow to the primary and paramount consideration which arises, namely, the national interest. The question of the fixing of these rates is a matter which is being undertaken by Parliament through its Minister of Transport, on the advice of this Committee, and the shipping industry submit that it is a matter which has to be dealt with by Parliament through that medium, and they do hope that this Committee will not delegate the duties which are vested in it to the railway companies and to the traders, but will itself retain the full consideration of all questions of rates, whether they are the general rates to be established, or the consideration of whether any, and if so what, exceptional rates should be laid down.

Chairman: Perhaps it is not a fair question to put to you because you possibly would not have the materials on which to answer, but we are faced with the difficulty of there being so many millions of exceptional rates. Are you advocating that we should recommend the Minister to sweep them all away, or are you saying that we should inquire into the various rates and ourselves say which should be swept away?

Sir Robert Aske: I think that the advice given to the Committee by Sir George Beharrell was to sweep them all away as a primary step, and that then if there were any particular grounds on which any exceptional rates should be given—which he said would have to be most closely scrutinised—then this committee would hear the parties and consider any particular instance which was put forward. But that in the first instance they would all go. That is in accordance with the evidence given by a large number of the witnesses here—that at all events, in the first instance, they should all go. The suggestion of the shipping industry is that if this committee deals with the matter on a broad basis such as has been suggested, namely, taking into account, as fixing the basis of the various scales and tariffs, the quantum carried, the distance carried, class of goods carried, the value of the goods carried, the responsibility incurred, and the cost of the services rendered—all of which come into consideration in fixing the scales and tariffs—that then you have broad bases; you have rates for short distances and rates for long distances; but all based on general principles which would be the same rate in whatever part of the country the services were rendered. And so on. That is substantially a paraphrase of the advice tendered to this committee by Sir George Beharrell; and those are substantially the considerations which he suggested should be adopted in fixing rates. It is the submission of the shipping industry that if your scales and tariffs are fixed on those principles there is no need for any exceptional rates beyond; and, moreover, there is no principle which would justify any exceptional rates. If this question is viewed as I take it this committee does view it only and solely from the standpoint of the national interest—

Chairman: Take the instance we were given this morning by the Hull traders. They say that to maintain their port at its full efficiency it is necessary that they should have lower rates per ton per mile to the great consuming centres than other ports. Do you say that is all wrong?

Sir Robert Aske: Shall I say this, that in the first place they are met—and probably adequately met—by the group system? They are in a group with all the other ports, and all their mileage is calculated from the nearest port, which gives them an enormous advantage.

Chairman: That is conceding the principle of exceptional rates, to concede groups.

Sir Robert Aske: It may be. In group rates you have a definite principle. I take it that if group rates were adopted, the scale would be general throughout the country, although you calculate for the purpose of a particular group the scale from a different point. It would be taken as being transit from an area, and not a particular point.

Chairman: There was a point mentioned on another occasion, how to derive a State advantage from transmitting goods across England which come by sea to the East Coast, by rail to the West Coast, and then are shipped again. Say we did not have favourable rates for transporting across England, the whole of the traffic would go across the sea.

Sir Robert Aske: That would be the national interest.

Chairman: You think that is the national interest. To go on shipping starting from Hamburg to America, would very likely help an English ship?

Sir Robert Aske: It might not be an English ship which came to the East or West Coast.

Chairman: England gets a bit of the transit if it is carried from the East to the West Coast, and it is transhipped.

Sir Robert Aske: This is all a question of point of view. Is the point of view to be to drag as many tons of goods over the railway as possible, or is the point of view to so regulate the distribution of the traffic as to do it in the easiest and cheapest manner? I submit that is the true economic principle, and the one which ought to be adopted. Instead of striving for the long haul, the problem ought to be to strive for the short haul, to move goods about, not as much as possible, but as little as possible, in order that there may be ease of handling and less delays. That must be the true national interest; it is not the national interest to have congestion in ports, and shortage of wagons.

Chairman: I should have thought you were on strong ground when dealing with the facts before the war. There were exceptionally low rates from port to port, and places in the immediate neighbourhood of ports, and now the cost of freight by sea has gone up so enormously, that ships cannot compete, and all those exceptional rates due to competition by sea are no longer justified. It seems to me you have a very strong case there.

Sir Robert Aske: Yes, but I am speaking now for the shipping industry. These matters very often in practice are complicated, as one of the witnesses said this morning. You cannot say always, a particular port to port rate was due to sea competition, and railway companies have always been very astute, if it has been desired to quote lower rates, in finding some other ground on which they can be quoted. It is because one wishes to be relieved from the necessity of always deciding as to the ground which justifies a particular rate that, from the point of view of the shipping industry, they suggest that all exceptional rates may be done away with.

Chairman: You will be able, at any rate, to say you have a strong presumption the port to port rate has been affected by sea competition.

Sir Robert Aske: Yes, according to one of the Reports of your Committee, the whole of the rates of the country are affected by water competition.

Chairman: Including canals?

Sir Robert Aske: Fifty per cent. in number, and seventy-five per cent. in weight. Seventy-five per cent. are exceptional rates.

Chairman: Seventy-five per cent. are exceptional rates?

Sir Robert Aske: But fifty per cent. in number of the rates are directly due to water competition.

Chairman: Are said to be affected by water competition.

Sir Robert Aske: The Report of your Committee says it is probably an underestimate to say that the rates to and from one-half of the railway stations in the United Kingdom are affected by water competition. So that in dealing with this matter one has to deal with half the rates to begin with. So that as half the rates are affected by water competition, as a matter of principle one may also contend that all the other exceptional rates, which can only be a comparatively small percentage, should go, at any rate unless they are justified on some principle in the national interest. That is the submission I

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wish to make at the outset, that this Committee, at all events, will not part with the duty of determining as to what has to be done with exceptional rates.

Chairman: I suppose those interested in the shipping industry would approve of low rail rates for goods intended for export; that would assist shipping.

Sir Robert Aske: They do. No branch of the industry is more interested in export and import than is the shipping trade; it is their life blood the import and export trade, but they see no ground whatever, interested as they are in the foreign trade, why the import and export trade should be dealt with on any different basis from the ordinary inland trade of the country. Now, Sir, may I at this stage just read a few words again from the lecture of the Minister of Transport given at the outset of the inauguration of that Ministry. It really lays down a very valuable principle which will be of assistance to any tribunal in dealing with this question of railway rates. He said at the outset: "The protection from unbridled competition should not be used to exploit unduly the public dependence upon transport. . . . It is necessary that the transport undertakings of the country should be sufficiently prosperous"—and, of course, he is dealing there with all the transport undertakings of the country—"to keep abreast of the times, to give an efficient service and to be able to face a reasonable amount of development expenditure. In other words, you must be able to raise money, and money cannot be raised unless it can earn its keep." Then, speaking with regard to the railways, he said: "Too much freedom was given you to fix or refuse rates as you thought within the maximum; there was no power to require a reasonable standard of service, and we had to rely upon competition to obtain that. This competition causes waste. The transport agencies of the country grew up without co-operative effort, but with competitive effort in district after district. We now think it would be better to give you the amalgamations which many of you have sought, and which have been refused you because of the fear that they would be used to oppress the district served. We will permit—we will even encourage—the amalgamations, for economy's sake, but we will provide a means to prevent a local monopoly from being used oppressively." The significance there and the stress that competition means waste is very marked, and it is in some sense an answer to the question which Mr. Jepson was good enough to put to me before the vacation as to whether railway companies were to be able to carry on competition by cut rates as they did before the war. The answer of the Minister of Transport is that that competition causes waste because those cutting rates simply led to enormous quantities of goods being hauled from one end of this country to the other without the slightest necessity for it, and when this country was involved in the stress of war it was the first thing that the Government tried to check. Then the Minister of Transport went on to say: "In these matters and in others the community had a right to say that it must be considered; that conditions of labour had changed; it had a right to say what was a reasonable service for a statutory company to perform, what reasonable improvements should be made, what reasonable rates should be charged." That is that reasonable rates is not a matter for railway companies and traders to determine, it is for the community, and the community is, I submit in this case, acting through the Minister of Transport on the advice of your Committee. Then there are just a few words more. He said: "The State must also harmonise the operation of the different agencies, as between themselves, in the interests of the community as a whole. Under a system of competition, not only did one railway or one dock strive to divert traffic from another, but tramways sought to wrest traffic from railways, railways to wrest traffic from

canals, coastal service to wrest traffic from both, and so on. In future our effort would be, he hoped, to encourage each agency of transport to undertake that part of the total work which, owing to its own special qualities, it could most efficiently and economically perform. On the question which traffic naturally belonged to a railway or a tramway, no railway or tramway manager could be expected to be wholly impartial. . . . Our transport system of the future should develop on a basis of creation rather than piracy." I submit that that language is infinitely stronger than any I can use of my own against any idea of handing over to railway companies and traders to determine as to any exceptional rates, that railway managers are not impartial, neither are traders, and therefore you hand it over to a tribunal which is obviously not an impartial tribunal. The shipping industry submit that the aim should be not to promote competition, but to secure the most efficient distribution, because that is true economy in the interest of the country. Therefore, we submit that there should simply be scales and tariffs on a general basis throughout all the country without exceptions, that the railway companies should have no power to lower or increase these charges without the consent of a tribunal. Viewing the evidence which has been given before you, there has been really general approval of the principle of incorporating all exceptionals as far as possible into general scales and tariffs. You yourself laid down as a principle that no rate should be less than the cost of the service, and no rate should be above the value of the service. All the shipping industry desire to add to that principle is that no rate should be less or more than other rates for equivalent services rendered. We also support the proposal which has been made with reference to keeping terminals separate, because no branch of transport has suffered more than has the shipping industry from the fact of the railway companies wrapping up their rates in an inclusive charge for haulage and tonnage. I propose to show shortly that the real trouble with regard to the coasting services at the present time is not the matter of steamer freights at all; it is a matter of terminals, because in many cases the terminals are 50 per cent. more than the amount of the freight, in some cases, I believe, 100 per cent. more than the amount of the steamer freight. The trouble from which the shipping industry is suffering at the present time, as far as the coasting trade is concerned, is a matter of terminal rates.

Now, Sir, very shortly, in support of the submission against all exceptional rates, I put the argument in this way, that it does give a principle upon which this Committee can act; the Committee ask that this matter should be dealt with on principle, it is merely principles which this Committee is considering, and it gives a sound principle, because the siding, and it gives an equality of treatment, equality for every class and area and district, and that is the principle upon which all the railway legislation is supposed to be based. It is therefore *prima facie* fair and just; it prevents a waste of national energy in what before the war was a ceaseless and unnecessary struggle for traffics between one railway company and another. The only alternatives suggested appear to be these; the railway company, with a sublime candour, ask that the matter should be left to them, that they should be subject to no maximum, that they should have full power to lower or increase rates so long only as the rates are subject to the nebulous restriction that they should be reasonable. The railway companies, from the statement made through Sir John Simon, have not receded from that, that is the position which they set up quite clearly and frankly in their answers to the questionnaire, and it is the position which they adopt to-day, that is really to ask that the effective force of the monopoly which railway companies have hitherto enjoyed should be increased tenfold, and I think really means to hand over all other systems of transport, body and soul, to the railway companies. If any canal company is

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putting up an annoying competition the railway companies can cut their rates and close the canal undertaking. If steamship companies are carrying on a competition which does not please the railway companies they could cut the rates to such a figure as to drive the steamers from the market.

Chairman: That has been the law down to the present.

Sir Robert Aske: Yes, but under very different conditions, under entirely different conditions, because before, canals and steamships could carry at less rates than railway companies, and did carry at less rates, consequently railway companies were not able to cut their rates to such a figure as to altogether either deprive the canal undertaking of some part or to drive steamships into other trade.

Chairman: Would you advocate the French principle, that the railway company should be precluded from granting a rate which could not be competed with by water?

Sir Robert Aske: No, we are here to ask no favours at all, all we ask is this. Railway companies, of course, have diverse traffic, they have inland traffic, traffic from the inland districts to ports, and traffic between port and port, and their revenue is derived from goods and passenger traffic, they have many different sources of revenue. If they can utilise the revenue which they obtain from certain traffic in order to cut out all competition in other directions, that is most unfair so far as regards any other branches of transport, and all we say is, do not allow railway companies to follow those tactics, do not allow them to utilise their revenues which they derive, because of the monopoly granted to them by the State, in order to cut rates and drive out competition, let them keep normal and level rates throughout the whole of the districts served by the railway companies. If they do that we must face it; whether we can compete against it or not we must still face it, and if we cannot compete with the railway companies with their rates on that uniform basis, then we must go out of existence. We ask nothing more, we do not ask that the rates should be made higher than normal in order to allow steamship companies to compete, all we say is that if we cannot compete on the ordinary terms upon which railway companies can afford to carry over their whole system, then we are content to go out of existence.

Mr. Jepson: There is very little between us, is there not, Sir Robert? You and a good many of the witnesses have agreed that if sea competition and water competition have vanished, all exceptional rates which were based on that sea competition should go and those rates should be brought up to the normal scale. Two or three witnesses this morning agreed to that. Does not that meet your point?

Sir Robert Aske: It does to a certain extent, but of course if you simply said that you take off a port to port rate there are so many ways in which it could be avoided. For instance, take a standard illustration which was in one of the reports of your Committee, where grain comes into Liverpool and is then carried over land from Liverpool to London in order to compete with the steamship lines running direct into London, your Committee suggested that it might be necessary to grant exceptional rates in cases like that. That is a port to port rate, but on the other hand, supposing that the Committee recommended that a definite principle should be established of granting exceptional rates on imports, then, although it comes off as a port to port rate, we are still hit by it as an exceptional rate on imports. One may go on with many illustrations of that kind. It is because, unfortunately, experience has been that the railway companies, no doubt quite properly, were all so anxious for traffic in the pre-war days and were willing to carry on the smallest possible margin in order to get traffic on to their own line, sometimes sailing very near the wind, if not altogether beyond, that we are anxious that the Committee should say that they would wipe away exceptional rates altogether. If railway companies were given exceptional rates, it would be so easy for them to kill all

competition whether by steamships or canals; their capital is so enormous, their revenue is so huge, particularly if the method is to be adopted which has been thrown out, that the rates are to be re-arranged on such a basis as will afford railway companies a reasonable profit upon their undertaking, because in that case they would have more power to differentiate as between one class of traffic and another and could absolutely drive all competition out of the market. When half the rates are affected by water competition it shows that half the rates might be subjected to the competition which railways ask for. I particularly emphasise that the railway companies ask for the retention of export rates and rates quoted to meet water or other competition, and that is the whole basis of the railway companies' case here not, as the Minister of Transport stated, that the competition was waste and that in the future it was to be non-competitive, but simply a re-arrangement of distribution in the national interest. It is competition which just as in the pre-war days was absolutely at the root of the railway minds, so it figures here as prominently as ever in the answer to the questionnaire they have put forward, and it is competition which they look to in the future.

Chairman: Are you offering that the rates to be charged by steamship companies should be settled by the same tribunal that settles the railway rates?

Sir Robert Aske: Settled by the State.

Chairman: Settled by the State. If you are going to prohibit the railway companies from competing with you, you must expect to be prohibited from competing with the railway companies.

Sir Robert Aske: No, what I say is this, as I am going to mention in a few moments, that, looking at this from the point of view of principle, every exceptional rate is unfair and unsound. If you are going to raise a certain revenue in future from all the traffic carried upon the railways, and if you are going to put on higher rates and make one part of that traffic bear higher rates than the other part, you are making part of the public pay for the traffic which is carried by the other part. Having settled the definite scales and tariffs which take into account everything scales and tariffs which take into account, if there is differentiation beyond that, it is merely giving the preference to one portion of the public as against the other. This question of undue preference is very often lost sight of in its real essentials. A question arose before this Committee one day as to terminals on exceptional rates, and it was said—I think Mr. Jepson raised the point—that if, for instance, you divided up the rate between the haulage and the terminals, then it might be a preference on the terminal. Why is it a preference on terminals any more than haulage? It simply means if you charge your terminals at less for one person than another, there is no difference in principle from charging your haulage rate at more for one person than another; it is just as much a preference in the one case as in the other, and any lower charge for hauling goods under precisely the same conditions of traffic over the same distance in the one case, charging at higher rates for some persons than others, is just as much an undue preference as was the case suggested on terminals. At all events what we submit is that if the railway companies are to have the rights for which they ask, you place the transport systems at their mercy; it would be to vest in the railway companies alone the powers of fixing rates.

Now the next suggestion which I will briefly mention is that the existing system should be maintained with a percentage added and that every rate should be reviewed on its own peculiar facts. In our submission that is an impossible one. I think you indicated that to review 50 million rates would take many years, and in the submission of the shipping industry there is no necessity for it. At all events if all the rates were wiped away, any principle upon which any particular exceptional rates were to be justified could be brought before the tribunal, but in any case there is no principle about that, review-

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ing every exceptional rate. This Committee is sitting to determine principles, and there is no principle in reviewing every rate to find out whether it should go up or down; it would simply devolve into a question of haggling and bargaining between traders from one part of the country and traders from another part. The fact of the matter is this, that nearly all exceptional rates are the result of competition and that competition is not now operative, therefore the only justification for the great bulk of the exceptional rates has already gone. That applies in particular to port to port rates, and all the cases where the rates are affected by water competition. Exceptional rates were never laid down or fixed in the public interest, they were merely fixed in order to secure traffic for railways. That was the sole reason for the traffics being fixed. A great deal has been said as regards the interests of the traders in different localities and so on, but it was not the interest of those traders which induced the exceptional rates to be fixed.

Mr. Balfour Broene: It has always been considered on the question of undue preference or prejudice.

Sir Robert Aske: It was merely that the railway companies were willing to compete with each other and with any other branches of transport, in order to secure traffics. That is the only reason which has brought exceptional rates into existence. Therefore our submission is that, just as no public interest brought those rates into existence, no public interest now requires their continuance.

Chairman: What would you say to such an exceptional rate as this? We were told that there were certain mines in Northamptonshire and neighbourhood, and if they could get a cheap rate to Swansea district they could compete with the Spanish ores, but if they could not get a cheap rate they would not be worked. Was it not to the public interest that the railway company should say, "If you supply us with the ore in favourable quantities, and so forth, we will carry at a very cheap rate to enable you to compete with the Spanish ores."

Sir Robert Aske: That is a matter for proper consideration in fixing the tariff.

Chairman: You cannot fix the whole tariff on the one particular circumstance of the Northamptonshire and Swansea districts.

Sir Robert Aske: I suppose they want iron ore in other districts?

Chairman: That was one which, spread over the country as a whole, would not pay, but in the particular instance it brought new traffic over the railway lines which were already constructed and there to carry traffic, and therefore you only had to look at the net additional cost to see whether there was a profit or not.

Sir Robert Aske: I should say that probably was a limited case.

Chairman: The difficulty was there was not iron ore in the place near Swansea.

Sir Robert Aske: That was one of the nearest.

Chairman: I do not know whether there are any others equally near.

Sir Robert Aske: If the Committee are of opinion that in the national interest there ought to be exceptional rates on some defined principle, the Committee will no doubt say so.

Chairman: I take it the sum total of your argument is that there ought to be no exceptional rates, and you would say, even if there are few cases that look tempting, that there ought to be no exceptional rates. Everything ought to be carried at a uniform rate for the country.

Sir Robert Aske: Yes. I wish to emphasise, further, that nearly every exceptional rate is unfair.

Chairman: You must not take it that I accept that, but I understand your argument.

Sir Robert Aske: It is the price exacted by someone in a competitive way. Those traders at a distance, where they have another canal or steamship line, are in a position to exact lower rates from railway companies, but the traders without that com-

petitive weapon are in a different position; they cannot get any exceptional rate, and, as a consequence, they suffer in all respects. They have not the same transport facilities; they have not the same supply of either raw material or manufactured articles; and, as a consequence, they suffer greatly in comparison with the particular districts where there is competition, and that is due, to a very large extent, to the fact that railway companies give their cut rates to other districts. That is unfair to those other particular districts. Why should the railway companies have power to stimulate the industries in some particular place at the cost of injuring, if not ruining, the industries in other districts?—because, when all is said and done, the income of the railway companies is raised from the whole traffic. It is the traffic, as Sir George Beharrell put it, which has to bear the rates, and if you get less from one particular part you have to put it on to the other. If all the rates were uniform, these particular places I am mentioning would benefit, because the general level would be more favourable to those places.

Mr. Jepson: Before you leave that point, do steamship companies differentiate in their freights, having regard to whether the traffic they want to carry is competitive or otherwise?

Sir Robert Aske: Of course, in the case of tramp steamers, they are simply on the market for charter. In the case of steamship lines, if they are common carriers they carry at fixed rates as general carriers.

Mr. Jepson: As agreed amongst themselves in conference, that is, the regular liners; but suppose some competition crops up in opposition to these regular liners, do I understand you to say that the steamships do not lay themselves out to compete with these tramp or outside steamers?

Sir Robert Aske: There is enormous competition between one steamship line and another.

Chairman: You are not proposing to give that up so far as the steamship companies are concerned?

Sir Robert Aske: It is the fact there has been this competition between two steamship companies which has always resulted in the sea rates being less than the rail rates. Nobody can suggest that if there has been perfect combination between the various steamship owners and they try to put rates up to the highest level, they could not have come much nearer to the railway rates than they did in pre-war days. I can show you a large number of illustrations where, for instance, the steamship lines were 35 and 40—

Chairman: Still your answer is that you would preserve competition as between steamship and steamship, but abolish it between steamship and railway.

Sir Robert Aske: You cannot help it, nothing you could do would.

Chairman: You are in the unfortunate position of having the railway companies under the control of the Government, and therefore they can be compelled not to concede to steamships. You tell me you would not put steamships under control to prevent them competing with railway companies.

Sir Robert Aske: Do you mean I would not nationalise the steamships?

Chairman: I do not know what process might be adopted. Do I understand your argument, to be that the steamships should be left to compete if they wish to, but the railway companies should not? That is the long and short of it, is it not?

Sir Robert Aske: I do not quite put it in that way. What I say is this, that the railways should not cut out their competitors by what is in effect charging some of their customers with the extra cost which the competition involves.

Chairman: There are railway men, and even people who are not railway men who write books, who say it is to your advantage to get additional traffic, and it does not injure the other trader by land.

Sir Robert Aske: It would if the principle is to be adopted that you are going to secure a more or less fixed revenue to the railway companies.

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SIR ROBERT ASKE.

[Continued.]

Chairman: Suppose the railway companies by refusing an exceptional rate Liverpool to London lost several million tons of traffic a year, do you think they would be able to put down rates to other people in consequence? Suppose by putting up the rate from Liverpool to London all traffic went by sea, therefore the railway companies which connect Liverpool with London lost many hundred tons of traffic a year, would not that impoverish those railway companies, and, if so, would not they have to charge higher rates to other people?

Sir Robert Aske: The result would be there would be easier handling on the railways.

Chairman: It would be very easy to handle, because there would be so little it would not pay.

Sir Robert Aske: I mean the quantity of goods from Liverpool to London is not such a serious amount.

Chairman: I do not know.

Mr. Jepson: It is not all meat traffic from Liverpool to London. There was mentioned in the course of the inquiry the meat trade which competed with contract boats from America to London or Liverpool to London. You want to stop railway companies carrying such traffic in the future unless they carry at the normal scale rate.

Sir Robert Aske: The railway companies carry at a very low profit now. I think the profit on that trade is very low indeed. What they lose is infinitesimal, but the result is that by dragging all those goods throughout the length of the country it causes congestion upon the railway lines, utilising the wagons which were needed for other branches of traffic, and generally dislocates the distribution in the country; because, unquestionably, the congestion in this country has been very serious.

Chairman: You must not deal with the present state of circumstances only. I see your very strong point, that now the reduced rates from port to port are no longer justified, no doubt the railway companies would be glad to get additional income by charging higher rates, and if the rates are made normal in those respects, there is reason to believe that the coastal steamers will be able to compete again and relieve the railway companies of traffic at present they are not able to carry.

Sir Robert Aske: We do not say they would be able to compete, because—

Chairman: It would help us more if you gave us some figure which would show us the effect of getting rid of these exceptional rates from port to port with regard to sea traffic. Perhaps Sir Norman Hill will give some?

Sir Robert Aske: Yes.

Chairman: Then we will wait for that.

Sir Robert Aske: He will give evidence to-morrow morning, he has a large number of figures he will put before you.

Chairman: Quite a few figures or a summary of the effect of getting rid of the exceptional rates from port to port. I have seen a print of his proof, and he gives a good many figures. Some of the figures are as low as 50 per cent. below the normal railway rates; most of them range from 15 to about 30 per cent. below the normal railway rates.

Sir Robert Aske: Are you speaking of pre-war days?

Chairman: Yes, that is comparing railway traffic with railway traffic, port to port rates by rail as compared with the scale charges by rail. If an exceptional rate was 70 per cent. of the scale rate and 30 per cent. were put on again, and in addition the 50 or 60 per cent. which was added in January, would not that enable coastal steamers to compete? If you put 30 and 50 per cent. on that, it would bring what was 70 up to 150, more than 100 per cent. increase.

Sir Robert Aske: If you took off all exceptional rates and established a uniform basis, there would be an adjustment between the two.

Chairman: I am asking whether that would enable coastal steamers to compete again. I was taking the supposition that port to port rates were made on the ordinary scale charges.

Sir Robert Aske: I will obtain that information, but there is this consideration which cannot be lost sight of, that if the railway rates were put up very high it does not at all follow that steamship companies could put up their rates to anything like that extent. In fact they could not do it, in the pre-war days they could not increase their rates as much as the railway rates, because the competition between one ship and another and one line and another kept the rates down. This country is in a peculiar position, because the coasting trade is not peculiar to British ships; every foreigner, who wishes to do so, can compete with British ships in our coasting trade, which is essentially different from the railways.

Chairman: I understand you to tell us now that that rise in the railway rate would be more than sufficient?

Sir Robert Aske: I do not know, I said I would enquire.

Chairman: One steamship would undersell another so as to force it below the railway rates. It must be that some of them could afford to do it. They are not going to run at a loss.

Sir Robert Aske: The point I make is this, even if you put up railway rates as between one port and another to above the uniform level—

Chairman: You need not imagine that we are likely to recommend that.

Sir Robert Aske: Even if you did the steamship rates would have to be very much less than the actual rates.

Chairman: I understand there must be a margin because there is not such a good service. Do you say it would have to be less than that margin by 15 per cent.?

Sir Robert Aske: They would have to be so low as would just enable steamers to run at a fair profit for this reason, if the trade were unusually good it simply means that all the foreign coasting ships would come and join in it.

Chairman: I do not see what that has to do with the railway rate. You have been telling us that the railway rate has been so low that steamships could not carry at a profit, and therefore did not carry at all. Suppose the railway rates are put up to being normal as anywhere else in the country, the question was whether that would enable you to carry, and you said you would find out. I do not see what foreign competition has to do with the suggestion that you would not be able to go up a reasonable percentage above railway rates.

Sir Robert Aske: I mentioned that point from the point of view that there is no fear that it is going to enable steamship companies to make undue profits. It is from that point of view that in the national interest there is no fear that if railway rates are made uniform that will enable steamship companies to make undue profits.

Chairman: That is the point.

Sir Robert Aske: Yes, because there is not merely the competition between the various British coasters, but the foreign coasters as well.

Mr. Jepson: Perhaps you could tell us to-morrow what has been the effect on the coastal trade of the increase in rates which took place in January last.

Sir Robert Aske: I can give you the best evidence of that from a report which was made to the Minister of Transport by a Committee which he appointed. It is a report dated 8th January, 1920.

Chairman: That is before the advance came into operation.

Sir Robert Aske: The terms of reference were, "To examine and report as soon as possible as to the probable effect of the forthcoming revision of railway rates on coastal shipping."

Mr. Jepson: That is the reference; when was the report?

Sir Robert Aske: That is the report.

Mr. Balfour Browne: There really was an answer to your question given in the House upon the 12th May. Colonel Wilson told the House that the coasting trade had in the month of April, 1919—that is, a year ago—represented 1,540,474 tons; in the

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SIR ROBERT ASKE.

[Continued.]

month of April, 1920, 1,987,534 tons, an increase of 400,000 tons, notwithstanding the rates of the 15th January.

Chairman: Is the subsidy still in operation?
Mr. Balfour Browne: The subsidy I find is still in operation, and in an answer given by Mr. Neal on the 6th May he said, "In the Estimates for the current year provision is made for £980,000 mainly in respect of the coastwise transport subsidy." The figures I gave notwithstanding the subsidy show an increase in the coastwise traffic.

Mr. Jepson: It is well understood that the subsidy did not apply to the whole of the coastwise traffic; it was only import and export traffic coastwise. The figures you gave of 1,900,000 not only include import and export, but general coastwise traffic.

Mr. Balfour Browne: I find in January that Sir Eric Geddes, speaking of it, said, "The subsidy will come to an end as soon as we get the railway rates on an economic basis. I hope that will be before the 15th January," but apparently they provide £1,000,000 for it for the coming year.

Sir Robert Aske: These figures are perfectly incomprehensible, that in April, 1913, the coasting figures which included both British and foreign vessels were 2,900,000. This had dropped in April, 1919, to 1,500,000, in other words fallen half. The subsidy was established in August, 1919, and that brought the figure up to 1,900,000, but it is still 50 per cent. less than it was in 1913.

Mr. Bruce Thomas: Not 50 per cent.

Chairman: As near as possible.

Sir Robert Aske: Yes, I think exactly 50.

Now, Sir, might I briefly mention the position so far as the evidence has come up to now as to the views which the traders put forward as to the basis upon which exceptional rates should rest. Practically no principle has been put forward to the Committee. The Federation of British Industries, by Mr. Marshall Stevens, has not put any principles upon which exceptional rates should be based, and the Chambers of Commerce, by Mr. Musgrave and Mr. Waller, cannot suggest any principles. Does not it almost follow that if these great bodies cannot suggest any principles for exceptional rates there are no such principles?

Chairman: That is why they are called exceptions.
Sir Robert Aske: Yes, they are not principles upon which they can rest to justify them. Mr. Bradley, who was one of the witnesses for the Chambers of Commerce, put this matter very strongly. The question to him was, "Is the effect of your suggestion that if uniform scales and tariffs be laid down over the country, that all exceptional rates outside those should go, except any particular ones the tribunal should justify on principle if an application is made to keep them in existence?"—(A) Exactly. (Q) Could you suggest any principles which should be applied in the granting of those exceptional rates?—(A) Those special rates. (Q) Those outside the scales and tariffs. Can you suggest any principles?—(A) No principle can be laid down because every rate would be on its own merits. (Q) What would you call its own merits? Would you say that one trader competing with another trader in a particular district would justify a special rate?—(A) I do not think so, because that means that a trader's traffic would be carried at a loss, and some other trader is paying for his carriage." When you weigh up the evidence which has been given, everyone is frank and candid about it, there is a procession of traders each one coming to ask for consideration in respect of his particular trade. No doubt that is the position every trader, as one said this morning, wants, the most competition and the best rates he can get for his own trade. When it is all weighed up it means if there is a uniform basis there are scores of these exceptional rates. Then he was asked, "Would one port competing with another be a principle which could be applied?"—(A) There again I do not see why the railway companies should carry at a loss in order to rob the steamship companies of their

traffic." Then the Chairman put this question, "Would you consider the case where it was not at a loss, but a small profit in one case and a larger profit in the other?"—(A) I do not think I would grant it in any circumstances." Then it was put to him by me, "I take it what you mean is this, that if some traffic is being carried at an extremely low rate it means that some other traders are having to make that up?"—(A) Undoubtedly." That is his point. Then there was a very large consensus of opinion, I will not go through the various parts of the evidence, but I can give you the references where Mr. Bradley, Mr. Wright, Mr. Currington, Mr. Hughes, and Mr. Billbrough all suggested that any exceptional rates, even if granted, should be within very narrow dimensions. They thought the principle should be that exceptional rates at all events should be wiped out in the first instance. Then there is another very striking passage in what the Minister of Transport said on the 17th March, in the House of Commons, "For my part I think, with the situation as it is, that it would be nothing short of criminal to let the old system of competition between railways and roads, between railways and canals, and between different docks go on." I have dealt with the suggestion of the railway companies and with the suggestion that all the rates should remain as they are and each one be viewed on its merits, and I have also submitted that to leave it to the railway companies and traders is not a fair thing in the interest of the community or of other transport agencies.

Now, may I say one word with regard to the principles upon which the exceptional rates might be said to be justified. Is the existence of some other form of competition any ground for the existence of exceptional rates? In view of the extract I have read from what the Minister of Transport said, that it would be nothing short of criminal to let it go on, I submit that the existence of competition is no ground for any exceptional rate. Then a great deal was said as to exceptional rates being justified in order to regulate traffic as between the ports. The railway companies, through Sir John Simon, raised that as a point and said that that was a ground upon which exceptional rates should be given to regulate traffic as between the ports. If that is the principle, is the traffic to be regulated in favour of the big ports or the little ports? The little ports need it. The regulation of traffic carried out by the railway companies has all been in the direction of putting traffic through the big ports. Are railway rates under present conditions to be put higher in order to force traffic on to the sea or to be put lower or kept lower to divert traffic from the sea to the rail? There have been a great number of suggestions put forward in various of the reports as to entering one port to compete with another. We submit that it is not the function of railway companies to play fairly Godmother between different ports. All ports have been built by reason of their natural advantages, and the ports are quite able to stand on their merits without the railway companies regulating traffic for their benefit. We are submitting that the policy ought not to be to create long distance traffic. If it is suggested that exceptional rates ought to be granted to put all manufacturers on equal terms, how can you possibly do that without knowing the conditions under which the manufacturers carry on business, the prices they get for their raw material and the conditions of labour, and generally the conditions under which they carry on? It is the same with coal, you cannot put every coal pit on the same conditions by regulating every pit; it depends on the cost of production and the general cost of working.

Mr. Jepson: Do I understand you to suggest that such grouping of ports as takes place to-day, where all the ports on the West coast are grouped together to Staffordshire and a common rate charged, should be abolished, one group extending to Barry and taking in 10 ports and a common rate, abolish all that and let the ports stand on their own bottom?

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SIR ROBERT ASKE.

[Continued.]

Sir Robert Aske: I have no instructions to say anything with regard to the grouping of ports. The grouping system of course is not confined merely to ports, and if the Committee think that it would be fair in the public interest to group ports or inland areas together, I do not know that the shipping industry would have anything to say with regard to that. The grouping of ports was only mentioned this morning for the first time.

Mr. Jepson: I think it has been referred to before.

Chairman: Yes, I think Sir George Beharrell referred to it, I am not sure.

Mr. Jepson: There is the same thing on the East Coast, Newcastle, Sunderland, Hull to Staffordshire.

Chairman: This Committee will not let the ship-owners dictate the policy of the country. They will listen to an argument of the nature that it is important that the coastwise traffic of the shipping industry connected with carrying from port to port should be maintained, but beyond that it is for traders and railwaymen to say how they like their business done.

Sir Robert Aske: Of course the shipping industry is not attempting to dictate, and I hope that nothing I have said has given that impression.

Chairman: It seems to me that your case comes back very much indeed to that, that it is important to maintain traffic by sea coastwise, and I think you will get a great deal of sympathy, if you say that, from traders as well as the Committee—whether the railway companies are with you I do not know. Then you say to maintain the traffic coastwise it is essential that the exceptional rates, so far as they are brought about by sea competition, should not be continued. I do not see that it concerns the shipping companies whether there is some other exceptional rate; it may be a man suggests he would open a coal mine if he got a favourable rate to a particular port or district and would not open it unless he got the rate. Surely that is a matter between the trader and the railway company.

Sir Robert Aske: The only reason one has said anything with regard to those matters is that the shipping industry were trying to justify their case on principle.

Chairman: I think, perhaps, seeing what illogical people the British are, that it would be more a question to show whether it does any practical harm that there should be exceptional rates, and you show it easily in connection with port to port rates; I do not say that you have made your case altogether necessarily, but you have at any rate shown that there is a sound argument there. I do not think you ought to trouble yourself with other people's exceptional rates.

Sir Robert Aske: If you do not wish me to do so of course I will not, but I think I ought to say that the only effort that we were making in what I have said is to try and justify the contention that there should be no exceptional rates.

Chairman: You say, to round it off, that it would be logical if there were no exceptional rates at all.

Sir Robert Aske: Yes. Do you wish me to say anything on the point of export and import.

Chairman: So far as the shipping industry consider that there is something connected with themselves involved there.

Sir Robert Aske: Of course they only regard it as part of the general principle.

Chairman: Obviously it would be to their interest that there should be favourable rates from inland towns to ports and ports to inland towns, because they would be feeders for ships, but they do not ask for it because they think it would be illogical in connection with their other statements.

Sir Robert Aske: Yes, they try to base their argument upon a broad principle that all the rates ought to be uniform in whatever part of the country they are, and with regard to export and import rates in particular, as Sir Lynden Macauley put it to one of the witnesses, he said: "Do you think that the railway companies should give bounties on export and import traffic." That is really what it is, at all events the submission of the shipping trade is that if

the Government, as a matter of high policy, think the export and import trade ought to be encouraged, from that point of view it should be done, not under the guise of differential railway rates, but as a matter of policy, by giving bounties, which is what in fact it is.

Mr. Jepson: I would like you to consider that point a little further and through your witness.

Sir Robert Aske: Which point do you mean?

Mr. Jepson: The point of view of export and import rates. You suggest there should be no import and export rates lower than the normal?

Sir Robert Aske: Yes.

Mr. Jepson: I suppose it will be within your memory or your information that many works had removed from the centre of England to the coast to escape railway rates, and if that sort of thing were to go on, a good deal of the railway traffic would pass away. Do not you think that the railway companies ought to be sufficiently commercial that if they find by granting export rates they can retain the works in the interior of England, continue to have the railway traffic, and prevent them moving to the coast, they should be able to do so?

Sir Robert Aske: It is all a matter again of the point of view. I take it that this Committee is not really considering as to whether a particular thing is of benefit to the railway company rather than what is the national interest.

Chairman: Take it on that ground, is it not to the national interest that manufacturing centres should be scattered over the whole country, instead of being piled together in huge centres by the sea coast?

Sir Robert Aske: To take an illustration of the kind Mr. Jepson puts—that is, the tin plate industry, which was centred in Birmingham—every effort was made by cutting the railway rates to keep the industry alive; it flickered along; at last it was put on the sea coast, and has been a success ever since. Is it not in the national interest if a particular interest can only be bolstered up by cutting railway rates that drastic steps ought to be taken with regard to that particular industry? Our point is that railway rates can make or mar an industry. As you do not wish me to deal with that, there are just a few observations I wish to make, more particularly with regard to the shipping trade. I have pointed out that the cost in pre-War days of transit on water was very much below the cost of transit on rail. Sir Norman Hill will give you the precise figures, although that is contained in a report of your own Committee. The important consideration is that in pre-War days it was not the railway that forced down sea rates, it was sea rates that forced down the railway rates. The sea is at a great disadvantage as and greater security; there is greater speed on land and greater security; there is not the same risk of loss or damage by rough handling on land as there is on the sea. As a consequence, a trader will never send goods by sea if he can possibly send them by rail. Many goods are not sent by sea under any circumstances; they send them by land, whatever the rates of freight are. That is the great public security, that, whatever this Committee does with regard to the question of rail rates, nothing is more certain than that the steamship owners cannot put up their rates beyond a limited extent. The result at the present time is that the steamship companies are only able to run at all in the coasting trades because the Government gave a subsidy to traders who used them. That is a condition which I do not think has ever existed in this country before. The result is that if the railway rates remain as they are at the present time, and the subsidy is taken off, the coasters must disappear. There is no alternative for it. They will have either to seek employment in foreign trade, or the ships will have to be sold for the simple reason that the rates are not sufficiently remunerative to compete. The position is exactly what happened in 1919, that, by reason of the diminution in the coasting services, the

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SIR ROBERT ASKE.

[Continued.]

country was endeavouring to handle about 30 million tons of extra traffic on land. It was proved to be absolutely impossible, there was an enormous block in the big ports, enormous demurrage on ships; I have here a report which shows the extent to which that demurrage was operating by reason of the congestion of the ports. It contains particulars of every steamship company in the country, and it shows that the delays of ships in certain other berths and in discharging was four to six times as long in 1919 as was the case in 1913.

Chairman: How did they get rid of it in the interval between now and then?

Sir Robert Aske: The congestion?

Chairman: Yes.

Sir Robert Aske: The congestion is a seasonable matter. For instance, at the particular time the business is slack, but, in the ordinary course of events, in the course of another two weeks congestion is expected.

Chairman: It will be as bad again. Do you think Lord Devonport's denunciations of the Government have done any good?

Sir Robert Aske: At all events, the position was so serious that the Government paid one million which they would not have done if they could have avoided it. It was not merely that there was terrible congestion in the ports, but there was congestion of all the rail routes; the big ports were full, whereas the small ports of the country were absolutely stopped. I can bring before the Committee, if they need it, an enormous number of reports from the small ports of the country, such as Boston, King's Lynn, and so forth, which show that those ports have been standing still at the very time when the big ports were congested and traffic could not be dealt with. That was due to the fact that the traffic was going over land by the railways instead of being handled by the coasters and through the small ports, as was the case before the war. The result of that has been most serious to the small ports. It has not been merely a matter of less due to the harbour authorities, but it has caused very serious unemployment to those ports.

Chairman: That still comes back to the question whether the coastwise traffic cannot be restored by abolishing exceptional rates so far as they affect the ports. I see that it is just 4 o'clock; shall we hear Sir Norman Hill to-morrow morning?

Sir Robert Aske: Yes.

Chairman: In the print to-night will be added an Appendix which contains a summary of the Canadian Act which has been so often referred to. The point of it being put there is that, at any rate, it is a scheme. Personally I shall have some criticisms to address to it, but it is a scheme which every party can refer to as being a basis from which we can either agree or differ. Then, in addition, I put a suggestion of a possible owner's rate and company's rate clause, which, I think, will probably give satisfaction to neither party, and therefore possibly may be right. Also some particulars about how the tribunal might be set up. It is again, as things have been suggested before, not in any sense an expression of opinion, but as giving something upon which comment can be made, so as to bring ourselves into line. Then we will adjourn until to-morrow morning at 11 o'clock.

Sir Robert Aske: I should like to mention that it is proposed to ask you to hear two or three of the representative labour people of the country.

Chairman: I never like to say that we will not hear anybody, but if they have knowledge of the principles which would improve the matter, they will be very welcome. If they are only going to point out to us what we already know, that it has been impossible to continue the coastal service in the same way as before and the Government has had to subsidise it, then they would really only be adding to what we know.

Sir Robert Aske: Their point of view is different. It is as to how it has most seriously affected it.

Chairman: If they can tell us any way to get rid of the mischief, we shall be pleased to hear them. We know the mischief; we want to know the method of getting rid of it.

Sir Robert Aske: Yes.

(Adjourned until Wednesday, 2nd June, 11 a.m.)

APPENDIX.

SUMMARY OF PORTIONS OF THE RAILWAY ACT, 1919 (CANADA).

BOARD OF COMMISSIONERS, SECTIONS 9-71.

Constitution of Board.

9. (1) There shall be a Commission . . . consisting of six members appointed by the Governor in Council.

(3-5) Each Commissioner to hold office during good behaviour for 10 years, but to retire at 75 years of age. If not disqualified by age to be eligible for reappointment on the expiration of his term of office.

10. There is to be a Chief Commissioner and an Assistant Chief Commissioner. Any person may be appointed to these offices who is or has been a Judge of a Superior Court of Canada or of any province of Canada, or who is a barrister or advocate of at least ten years' standing.

Quorum.

12. (1) Two Commissioners form a quorum, but (a) in unopposed cases any one Commissioner may act alone, and (b) the Board or the Chief Commissioner may authorise any one Commissioner to report to the Board. The Board may adopt such report as the order of the Board.

Questions of Law.

(2) The Chief Commissioner and Assistant Chief Commissioner are to preside when present, and "the opinion of either of them upon any question arising when he is presiding which, in the opinion of the Commissioners, is a question of law, shall prevail."

Whole Time.

16. The Commissioners are to devote the whole of their time to their duties under the Act, and not to hold any inconsistent office or employment.

Sittings.

18. The Board may hold more than one sitting at the same time and may sit in any part of Canada.

Rules.

19-20. The Commissioners are to determine their own procedure and may make rules.

Experts.

21. The Governor in Council may appoint one or more experts to assist in an advisory capacity.

Secretary and Staff.

22-25. Provision is made for a Secretary and staff and books of record.

Salaries.

26. The Chief Commissioner is paid \$12,500, the Assistant Commissioner \$9,000, and each of the other Commissioners \$8,000 per annum.

Reports.

31. The Board to make annual reports to the Governor in Council.

Powers and Duties of Board.

32. Whenever the Railway Committee of the Privy Council is charged with any duty, authority or power it may be exercised by the Board.

33. (1) The Board has power to inquire into and determine any application by an interested party (a) complaining that a company or person has failed to do any act, matter or thing required by the Act to be done, or has done any act, matter or thing contrary to or in violation of the Act, or (b) requesting the Board to make any order or give any direction, leave, sanction or approval within its powers.

(2) The Board may make mandatory orders or grant injunctions and for the purposes of the Act have full jurisdiction to hear and determine all matters whether of law or fact.

(3) The Board is to have all the powers of a Superior Court for securing the attendance of wit-

ness, enforcing its orders and the entry on and inspection of property.

(4) The appointment of a receiver or a sale under a mortgage is not to oust the jurisdiction of the Board.

34. The Board may make orders and regulations in respect of matters and things required to be done or prohibited or for carrying the Act into effect, and may provide penalties for offences against any such orders and regulations.

35. The Board may hear and determine disputes as to breaches of agreements relating to the provision, operation and maintenance of lines to be operated with the railway or any structure or works in connection with the railway.

Board may Act of its Own Motion.

36. The Board may act of its own motion and must act at the request of the Minister in hearing and determining any matter within its power.

Reference to Board.

38. The Governor in Council may refer questions to the Board for a report or other action.

Works Ordered by Board—Apportionment of Cost.

39. Where the Board directs or permits any structure, equipment, works, etc., it may order by what company, municipality or person they are to be effected and impose conditions and direct how the cost and expense is to be borne.

Conditions May be Imposed.

40. Where the approval of the Board is required to any work, it may impose conditions.

Employment of Counsel in Public Interest.

42. If the Board consider the public interest so requires it may apply to the Minister of Justice to instruct Counsel to conduct or argue the case as to any public interest arising.

Board May State a Case.

43. The Board may of its own motion or on the application of any party state a case in writing for the opinion of the Supreme Court upon any question which in the opinion of the Board is a question of law or of the jurisdiction of the Board.

Interim Orders—Ex parte Orders.

45. The Board may make interim orders and (47) if the special circumstances of any case so require make interim orders *ex parte* for such period as the Board may think necessary to enable the matter to be heard and determined.

Orders May be Made Rule of Court and Enforced.

49. Any decision or order of the Board may be made a rule or order of the Exchequer Court or of any Superior Court and may be enforced accordingly.

Governor in Council May Vary or Rescind Orders of Board.

52. (1) The Governor in Council may either on the petition of any party or of his own motion vary or rescind any order, rule or regulation of the Board.

Appeals as to Jurisdiction.

(2) An appeal lies from the Board to the Supreme Court on a question of jurisdiction upon leave being obtained from a Judge of the Supreme Court upon application made within one month after the making of the rule, order or decision.

On Questions of Law.

(3) An appeal also lies from the Board to the Supreme Court on any question which in the opinion of the Board is a question of law or jurisdiction upon leave being obtained from the Board.

(6) On hearing of any appeal the Court may draw all such inferences as are not inconsistent with the facts expressly found by the Board.

Save as Provided, Orders Final.

(10) Save as provided in this section every decision of the Board is final, and no order, decision or proceeding of the Board is open to question or review.

General Rules.

53. The Board may make general rules regulating its practice and procedure so far as not inconsistent with the express provisions of the Act.

Costs in Discretion of Board.

61. The costs of and incidental to any proceedings before the Board are in the discretion of the Board.

Taking Evidence.

62. The Board may order any witness to be examined on oath and require production of books, papers and documents, and may issue commissions to take evidence in a foreign country.

Affidavits.

63. The Board may accept evidence on affidavit.

No Person Excused from Giving Evidence or Producing Documents.

65. No person is excused from attending and producing books, papers, tariffs, contracts, agreements and documents on the ground that the documentary evidence required of him may tend to criminate him or subject him to any proceeding or penalty.

Inquiries May be Ordered.

69. The Board or the Minister may appoint or direct any person to make an inquiry and report upon any application, complaint or dispute pending before the Board.

Inspecting Engineers.

71. Inspecting engineers may be appointed by the Minister or the Board subject to the approval of the Governor in Council to inspect the railways and any works, rolling stock, etc., constructed or in course of construction and to report thereon.

TRAFFIC, TOLLS AND TARIFFS FACILITIES AND PREFERENCES, SECTIONS 312-359.

Provision of Suitable Accommodation, Appliances and Services.

312. (1) The Company shall

- (a) Furnish adequate and suitable accommodation for the receiving and loading of all traffic offered for carriage upon the railway; and
- (b) for the carrying, unloading and delivering of all such traffic;
- (d) Furnish and use all proper appliances, accommodation and means for the above;
- (e) Furnish such other service incidental to transportation as is customary or usual as may be ordered by the Board;

Duty to Carry without Delay and with Due Care.
and (c) Shall, without delay and with due care and diligence, receive, carry and deliver all such traffic.

Junctions with Sidings and Private Railways.

(2) Adequate and suitable accommodation includes reasonable facilities for the junction of private sidings or private branch railways and reasonable facilities for receiving, forwarding and delivering traffic thereon and therefrom, together with the placing of cars and moving thereupon and from the same.

Power of Board to Order Proper Accommodation.

(3) If such accommodation is not furnished the Board may order the railway company to furnish the same, and may prohibit or limit of any engines, locomotives, cars, apparatus or devices not equipped as required by the Act or by order of the Board.

Board may Regulate Time Table at Junctions.

(5) The Board may regulate the time table of trains carrying passengers and mails so as to give opportunity for transfer from other railways having junctions or being adjacent.

Works.

(6) Board may, for purposes of this section, order specific works or the acquisition of property or the charging of specified tolls or the allocation, distribution or user of cars, motive power or equipment.

No condition to relieve the Company from Damages for Negligence.

(7) Any person aggrieved by neglect to comply with this section shall have an action against the Company. No notice, condition or declaration shall relieve the Company if the damage arises from any negligence or omission of the Company or its servant.

Board may impose Charges for Delay by Company.

(8) The Board may make general or particular regulations or orders imposing charges for default or delay in furnishing accommodation, etc., or in receiving, loading, carrying, unloading or delivering traffic, and may determine what circumstances shall exempt the Company from payment of such charges.

Facilities for Interchange of Traffic.

313. (1) Where the branch line of one railway joins the line of another company or other body the Board may order facilities for the interchange of freight and livestock traffic.

(2) And direct the price per car to be paid for such traffic.

Equality of Tolls.

314. (1) All tolls shall under substantially similar circumstances and conditions in respect of all traffic of the same description, carried in or upon the like kind of cars and conditions passing over the same line or route, be charged equally to all persons and at the same rate whether by weight, mileage or otherwise.

No Preferences or Penalties.

(2) No reduction or advance allowed in favour of or against any particular person or company.

Carload Charges—Long Distance Charges.

(3) The tolls for carload quantities or for longer distances may be proportionately less than the tolls for less than carloads or shorter distances if charged equally to all persons.

No Discrimination Between Localities.

(4) No unjust discrimination in tolls between different localities.

Long Haul and Short Haul.

(5) The Board not to approve any toll which for the like description of goods or for passengers carried under substantially similar circumstances and conditions in the same direction over the same line is greater for a shorter than for a longer distance within which such shorter distance is included, unless the Board is satisfied that owing to competition it is expedient to allow such toll.

Competitive Places.

(6) The Board may declare that any places are competitive places within the meaning of the Act.

Facilities for Interchange of Traffic.

316. (1) All railway companies to afford reasonable and proper facilities for the interchange of traffic and for the return of rolling stock.

(2) Such facilities to include the receipt and forwarding of through traffic at a through rate.

No Undue Preferences or Discrimination.

(3) No company to—

- (a) Make or give any undue preference or advantage.
- (b) By unreasonable delay or otherwise make any difference in treatment.

- (c) Create any undue or unreasonable prejudice or disadvantage in any respect whatsoever.
- (d) Distribute or allot its freight cars so as to discriminate unjustly against any locality or industry or against any traffic destined for another railway.

No Undue Hindrance to Interchange of Traffic.

(4) Every railway company to afford facilities for interchange of traffic with other adjoining railways without unreasonable delay or any preference or advantage, prejudice or disadvantage.

Junctions with Private Sidings.

(5) Reasonable facilities to be given for the junction of private sidings or private branch railways and for receiving, forwarding, and delivering traffic upon and from them.

Express Companies to be Treated Equally.

(6) Any facilities granted to any "Express Company" to be granted to any other "Express Company."

Board to Determine Questions of Undue Preference.

317. (1) The Board may determine as questions of fact whether or not traffic is carried under substantially similar circumstances and conditions, whether there has been in any case any unjust discrimination or undue or unreasonable preference or advantage or prejudice or disadvantage or whether in any case the company has or has not complied with Sections 314, 315 and 316 of the Act.

(2) The Board may by regulation declare what shall constitute substantially similar circumstances and conditions or unjust or unreasonable preferences, advantages, prejudices or disadvantages, or what shall constitute compliance or non-compliance with Sections 314, 315 and 316.

Board May Fix Tolls, etc., to Avoid Undue Preference.

(3) For the purpose of the last sub-section the Board may order specific works, or specified tolls to be charged or that cars, motive power or other equipment be allotted, distributed, used or moved as specified by the Board.

319. Where a company charges a lower toll for the same or similar goods or for the same or similar services to some than to others the burden of proving that there is no undue preference or unjust discrimination to lie on the company.

Interest of Public may be Considered on Questions of Undue Preference.

320. In deciding upon the question of undue preference the Board may consider whether the lower toll or difference in treatment is necessary for securing in the interests of the public the traffic in respect of which it is made, and whether such object cannot be attained without unduly reducing the higher tolls.

Disintegration of Joint Charge by Rail and Water.

321. The Board may for the purpose of determining whether a toll is discriminatory require a company to declare to the Board or may itself determine what portion of a single sum charged for carriage partly by rail and partly by water is charged in respect of the carriage by rail.

Board to Fix Classifications.

322. (1) The Board to prescribe and authorise the classification of goods.

(2) The Board may make any special regulations, terms and conditions in connection with such classifications.

(3) Goods may on the direction or with the approval of the Board be moved from one class to another.

Company to Prepare Tariffs of Tolls.

323. (1) The Company may from time to time by by-law prepare and issue tariffs of the tolls to be charged.

Subject to Approval by Board.

- (3) All such to be submitted to and approved by the Board who (4) may approve in whole or in part or change, alter or vary any of the provisions therein.
- (5) No toll to be charged until authorised by the Board.

Publishing of Tariffs.

(6) The Board to make regulations as to how the tolls are to be filed, published or kept open for inspection.

Board may Disallow any Tariff.

325. (1) The Board may disallow any tariff or any part thereof and require the Company to substitute a tariff satisfactory to the Board, or may prescribe tolls in lieu of the tolls disallowed.

(2) The Board may fix the date when any tariff is to come into force and may suspend any tariff.

Sub-division of Tariffs.

328. The tariffs of tolls shall be divided into three classes, namely:

- (a) The standard freight tariff.
- (b) Special freight tariffs.
- (c) Competitive tariffs.

Standard Freight Tariff.

329. (1) The standard freight tariff shall specify the maximum mileage tolls to be charged for each class of freight classification for all distances.

(2) Such distances may be expressed in blocks or groups, and such blocks or groups may include relatively greater distances for the longer than for the shorter hauls.

Special Freight Tariff.

(3) The special freight tariffs shall specify the tolls lower than in the standard freight tariff to be charged for any particular commodity or for each or any class of the freight classification or to or from a certain point or points on the railway, and greater tolls shall not be charged for a shorter than for a longer distance over the same line in the same direction if such shorter distance is included in the longer.

Competitive Tariff.

(4) The competitive tariff shall specify the tolls to be charged to and from any specified point or points which the Board may deem or have been declared to be competitive points not subject to the long and short haul clause.

Filing of Standard Tariff.

330. (1) Every standard freight tariff shall be filed with the Board and shall be subject to the approval of the Board, and (2) published in two successive weekly issues of the Canada Gazette.

(4) Until the provisions of this Section are complied with no toll shall be charged.

No Alteration without Approval of Board.

(5) No standard freight tariff shall be amended or supplemented without the approval of the Board.

Filing of Special Tariff.

331. (1) Every special freight tariff to be filed with the Board, specifying the date on which it is to take effect.

Three Days' Notice of Reductions.

(2) When a special freight tariff reduces a toll previously authorised, it is to be filed three days before its effective date and posted up and published.

Thirty Days' Notice of Advances.

(3) When it advances any toll previously authorised it is to be filed and published 30 days before its effective date. Where objection is lodged the burden of proof justifying the proposed advance is on the company.

(4) When the foregoing provisions are complied with the special freight tariff, unless suspended or postponed by the Board, takes effect on the date named therein, and the company may charge the

tolls specified therein unless and until disallowed or suspended by the Board.

(5) Until such special freight tariff comes into effect no special freight toll may be charged.

Filing of Competitive Tariff.

332. Every competitive tariff is to be filed and specify the date when it is to take effect. The Board may make rules for the filing and publication of such tariffs, and may provide that any such tariffs may be acted upon immediately on issue and before being filed.

Passenger Tariffs.

333. (1) The tariffs of passenger fares between points on the railway are to be divided into two classes, namely:

- (a) The standard passenger tariff.
- (b) Special passenger tariffs.

Standard Passenger Tariff.

(2) The standard passenger tariff is to provide the maximum mileage toll for all distances.

Special Passenger Tariff.

(3) Special passenger tariffs are to specify the tolls to be charged for passengers in every case where such tolls are lower than the standard tolls.

Filing and Publication.

334, 335. Similar provisions are made for filing and publishing standard and special passenger tariffs and for their coming into effect as in the case of standard and special freight tariffs.

Continuous Routes.

336. Provision is made for continuous routes over the lines of two or more companies.

Joint Tariffs.

337. If the companies fail to agree upon a joint tariff the Board may require the companies to agree upon and file a joint tariff, or may by order determine the route, fix the tolls and apportion them between the companies.

340. No company may prevent the carriage of goods from being continuous.

Filing and Publication.

341. Joint tariffs are to be filed and published in the same way as local tariffs.

Copies of Tariffs to be Kept at each Station.

342. (1) The company is to deposit and keep on file in a convenient place at its stations or offices open for the inspection of the public during office hours a copy of each of its tariffs.

(2) A similar provision is made as to a copy of the freight classifications.

(3) A notice in a prominent place at each station is to direct public attention to the place where tariffs may be inspected.

Board May Make Regulations as to Publication of Tariffs.

(4) The Board may make further regulations for the publication of tariffs and may exempt from such publication any competitive tariffs, and any joint tariffs to, through or from foreign countries.

Special Tolls for Specific Shipments.

344. The Board may allow special tolls for specific shipments between points not being competitive points if it considers the same will help to create trade or develop the business of the company or be in the public interest.

Certain Reduced Rates and Free Transportation Allowed.

345. Certain reduced rates and free transportation may be allowed (a) for the Dominion or provincial or municipal Governments, charitable purposes, fairs and expositions and for the carriage of destitute and homeless persons, ministers of religion, etc., (b) for immigrants and settlers and commercial travellers,

(c) for employes of the railway, Government officials, etc., etc., (d) for employes of other railways, (e) the Governor-General, his staff and family.

346. Members of Parliament, members of the Board and their staff get free passes.

Save as Aforesaid, No Free Passes or Reduction of Fares.

347. Save as aforesaid, no free passes are to be allowed nor the carriage of passengers except on payment of the fares properly chargeable.

No Limitation of Liability unless Allowed by Board.

348. (1) No contract or condition limiting the liability of the company in respect of the carriage of any traffic shall relieve the company from liability unless first authorised and approved by order or regulation of the Board.

Board May Prescribe Conditions on which Traffic may be Carried.

(3) The Board may by regulation prescribe the terms and conditions under which any traffic may be carried by the company.

Dangerous and Explosive Goods.

349. No passenger may carry dangerous goods. The company shall not be required to carry and shall not carry explosive or dangerous goods except in conformity with any order or regulation made by the Board. Dangerous goods must be marked distinctly on the outside.

350. (2) The company may refuse to take any package or parcel which it suspects to contain goods of an explosive or dangerous nature or may require the same to be opened to ascertain the fact.

"Express Companies" Tolls Subject to Approval of Board.

360-366. Provision is made for the tolls to be charged by "Express Companies" which are to be subject to approval by the Board. These companies are also restricted as to imposing limits on their liability and have to make returns to the Board.

PROPOSALS AS TO OWNER'S RISK AND COMPANY'S RISK AND AS TO CONDITIONS.

It is proposed:—

That the companies should be compelled in all cases where an appreciable (or substantial) risk attaches to the carriage of goods to quote two rates, viz., "At Owner's Risk" and "At Company's Risk," differing by specified percentages, which should vary according to the nature of the risk.

That these percentages should be fixed by the Tribunal which fixes the rates and classifications, and should be indicated in the Table of Classifications by letters or symbols.

That where goods are carried at Company's Risk the liabilities of the company shall be those of a common carrier, subject to the limitations contained in Sections 1 and 2 of the Carriers Act, 1830, save that the limit of value therein named shall be £ instead of £10, and that "silks in a manufactured or unmanufactured state, and whether brought up or not brought up with other materials" shall not be included in the list of articles therein specified.

That where goods are carried at Owner's Risk the company shall be liable for:—

- (1) Non-delivery of any fully and properly addressed package or consignment or any integral part of such package or consignment (including any liquid contained in a suitable container properly constructed and duly closed and fastened) unless such non-delivery is due to accidents to trains or vessels.

- (2) Pilferage from packages protected otherwise than by paper or other packing readily removable by hand provided the pilferage is pointed out to a servant of the company on or before delivery.

- (3) Mis-delivery where goods fully and properly addressed are not tendered to the consignee within twenty-eight days after dispatch.

Provided that the company shall not be liable in the said cases of non-delivery pilferage or mis-delivery if the company shall prove that the same has not been caused by negligence or misconduct on the part of the company or their servants. Save as aforesaid, the company shall not be liable for loss, damage, mis-conveyance, mis-delivery, delay or detention of goods consigned as owner's risk or of a trader's truck or sheet (if any) containing or covering them except upon proof that such loss, damage, mis-conveyance, mis-delivery, delay or detention arose from the wilful misconduct of the company or its servants.

That in the case of damageable goods not properly protected by packing the consignor may require the company to carry the same at company's risk or at owner's risk upon payment of the rates respectively appropriate to such goods when properly packed, but in such case the company shall not be liable for any loss or of damage to the goods unless it shall appear by reasonable evidence or inference that the loss or injury was due to some cause other than that of the goods not being properly packed.

That in the case of dangerous goods the company may, as a condition of carrying the goods, require the consignor to enter into a contract with the company to indemnify the company against any loss or damage whether to the company or to third parties arising from any accident or misadventure due to the dangerous character of the goods, and the company shall not be liable for any loss or injury to the goods due to the inherent quality of the goods. Subject to the making of such contract, any consignor shall be entitled to require the railway company if it shall accept dangerous goods for carriage, to carry the same at owner's risk or company's risk upon payment of the respective rates appropriate thereto.

The companies may quote a rate lower than the owners' risk rate, and in consideration of the reduction so made may impose such conditions as they shall think fit.

That the law relating to the obligation of a railway company to carry goods of the kind they profess to carry without imposing unreasonable conditions shall remain unaltered but so that it shall be deemed to be an unreasonable condition to exempt the company from liability for loss or damage or delay unless a claim is made within a period less than [seven] days after the termination of the carriage of the consignment, or for non-delivery of a consignment unless a claim is made within a period less than [twenty-eight] days after its receipt by the first contracting company. The traders also ask that it shall also be deemed to be an unreasonable condition for the company to require a general lien upon goods consigned, or any lien other than the lien conferred by law upon carriers.

THE TRIBUNAL TO FIX RAILWAY RATES, CHARGES AND TOLLS, CLASSIFICATIONS AND CONDITIONS.

Three proposals have been made:

- (1) That the Railway and Canal Commission shall continue as constituted by the Act of 1888 and exercise all the functions at present performed by it, and in addition shall fix the rates, tolls and charges for the carriage of goods.
- (2) That a new tribunal shall be constituted consisting of traders and railway men, presided over by an independent chairman, and shall perform all the functions of the Railway and Canal Commission (which shall be abolished), and in addition shall fix the rates, tolls and charges and the conditions upon which goods shall be carried.

- (3) That the Railway and Canal Commission shall continue to exercise certain of its present functions, and that a new tribunal (as above described) shall be set up to perform certain of the functions at present performed by the Railway and Canal Commission, and in addition to fix the rates, tolls and charges and the conditions for the carriage of goods.

If the third alternative is to be adopted it will be necessary to specify the manner in which the respective functions of the Commission and the new Tribunal are to be apportioned, and in either the second or the third alternative to determine the constitution and method of appointment of the new tribunal.

PROPOSED FUNCTIONS OF THE NEW TRIBUNAL AND THE RAILWAY AND CANAL COMMISSIONERS.

THE NEW TRIBUNAL.

1. To fix in the first instance the rates, tolls and charges, including terminal charges, to be charged for the carriage of merchandise by goods or passenger train, and the fares to be charged for the carriage of passengers, and to be the authority to determine whether any and, if so, what variations should thereafter be allowed either upwards or downwards.
2. To fix classification of goods with power at any time to alter the classification of any commodity, or to classify any article not previously classified.
3. To fix the rates to be charged and the conditions to be attached to any tariffs which may be set up and the commodities which are to be included in such tariff, with power to alter and vary the same from time to time.
4. To determine as a question of fact whether any particular article falls within the description contained in any classification or tariff.
5. To determine whether any description of merchandise is properly included in the description of dangerous goods but so that if a railway shall have declared any article to be dangerous the onus shall be upon the trader to show that it is not dangerous.
6. In any case where reasonableness is a necessary condition of a rate toll charge, or of a condition to be imposed, to determine whether the rate charge toll or condition is reasonable.
7. To determine in case of difference the charge to be made to the owner of a private siding for services rendered or facilities afforded on or in connection with the siding.
8. To determine the respective difference in charge in the case of goods carried at owners' risk or companies' risk, and the liabilities to be cast upon the company in the case of goods carried at owner's risk.

THE RAILWAY AND CANAL COMMISSIONERS.

1. To require railway companies to afford facilities and functions in connection with receiving, forwarding and delivery traffic on or from the railway and on and from sidings.
 2. To prevent undue preference and to determine questions arising in connection with undue preference.
 3. To require any railway company to grant running powers or to exercise its own running powers.
 4. To require the execution of repairs, alterations and other works.
 5. To settle disputes between railway companies.
 6. To enforce the proper publication of rates and the due setting forth of the component parts of a rate.
 7. To act as arbitrator in any case which may be referred to it by the Board of Trade or Minister of Transport.
- All other existing functions of the Commissioners not expressly transferred to the new tribunal,

CONSTITUTION OF THE NEW TRIBUNAL AND OF LOCAL ADVISORY COMMITTEES.

The new Tribunal may consist of either:—

- (1) Of an independent Chairman and a small number of persons experienced in trade and in railway matters devoting their whole time to the business of the Tribunal, being paid for their services; or
- (2) Of an independent Chairman and a panel of traders and railwaymen continuing to be free to carry on their respective occupations, from which panel the necessary number of persons would be summoned to constitute the Tribunal on each occasion when it shall have occasion to sit. In this case the panel would presumably be unpaid.

The nomination of the permanent members of the Tribunal in the one case or of the panel in the other case would presumably be in the hands of the Minister of Transport acting after obtaining the advice of the Railway Association so far as regards the railwaymen, and of the leading Associations or Chambers representing traders so far as the traders are concerned.

There appears to be a general consensus of opinion that there should be local advisory committees consisting of an equal number of railwaymen and traders, who should act as conciliators (without power to give decisions binding on the parties). It seems that the number of these Conciliation Committees might be

about 12 or 15 set up in the principal centres of trade. The representatives of the traders might well be appointed by the Minister of Transport acting after obtaining the advice of the principal Chambers of Commerce, Mines and Agriculture in the district in question, and that the railway representatives might well be the local goods managers of the railways serving the district.

The proposal appears to be that if any trader has a grievance he is to be entitled to submit it to the local Conciliation Committee and to be heard upon the question, when the local Committee will seek to adjust the difference, and if unable to agree either may inform the trader that it is unable to act or may refer the difference to the Central Tribunal, if the matter falls within its power. It is assumed that if the local Committee is in agreement the railway company or the trader will consider itself or himself bound by the advice tendered, but the local Committee will have no power to enforce its decisions.

It is not to be considered that the Central Tribunal is to take the place of the ordinary Courts in hearing and determining disputes where the question is merely one of fact (*e.g.*, the amount of damage payable for goods lost or injured, or whether a railway company has or has not been guilty of negligence) or purely a question of law, there being, however, the exception that it will decide the general question whether a charge or a condition is reasonable. For the enforcement of ordinary legal rights the parties must have recourse to the Courts of Law.

THE FOLLOWING TABLE SHOWS THE SCALE MENTIONED BY THE CHAIRMAN AT FIRST DAY'S HEARING.

Class.	First 20 Miles.	Next 30 Miles.		Next 50 Miles.	Remainder of Distance.
		85%	80%		
Coal and } Iron Ore }	100	85	80	50	40
A	105	89	84	52	42
B	130	110	104	78	52
C	200	170	160	132	80*
1	250	212	200	187	150
2	300	255	240	225	180
3	350	297	280	262	210
4	400	340	320	300	240
5	500	425	400	375	300

* Compared with the rest of the Table the drop here seems rather too great.

In the accompanying diagram 85% has been taken for the distance 20 to 50 miles, and 1 taken as the unit for each 100 shown above.



